ಕರ್ನಾಟಕ ರಾಜ್ಯಪತ್ರ

ಅಧಿಕೃತವಾಗಿ ಪ್ರಕಟಿಸಲಾದುದು

ಸಂಪುಟ –೧೬೧ Volume - 161	ಬೆಂಗಳೂರು, ಶುಕ್ರವಾರ, ೦೨, ಜನವರಿ, ೨೦೨೬ (ಪುಷ್ಯ, ೧೨, ಶಕವರ್ಷ, ೧೯೪೭) BENGALURU, FRIDAY, 02, JANUARY, 2026 (PUSHYA , 12, SHAKAVARSHA, 1947)	ಸಂಚಿಕೆ ೦೨ Issue 02

ಭಾಗ ೪

ಕೇಂದ್ರದ ವಿಧೇಯಕಗಳು ಮತ್ತು ಅವುಗಳ ಮೇಲೆ ಪರಿಶೀಲನಾ ಸಮಿತಿಯ ವರದಿಗಳು, ಕೇಂದ್ರದ ಅಧಿನಿಯಮಗಳು ಮತ್ತು ಅಧ್ಯಾದೇಶಗಳು, ಕೇಂದ್ರ ಸರ್ಕಾರದವರು ಹೊರಡಿಸಿದ ಸಾಮಾನ್ಯ ಶಾಸನಬದ್ಧ ನಿಯಮಗಳು ಮತ್ತು ಶಾಸನಬದ್ಧ ಆದೇಶಗಳು ಮತ್ತು ರಾಷ್ಟ್ರಪತಿಯವರಿಂದ ರಚಿತವಾಗಿ ರಾಜ್ಯ ಸರ್ಕಾರದವರಿಂದ ಪುನಃ ಪ್ರಕಟವಾದ ಆದೇಶಗಳು

ಸಂಸದೀಯ ವ್ಯವಹಾರಗಳು ಮತ್ತು ಶಾಸನ ರಚನೆ ಇಲಾಖೆ
ಅಧಿಸೂಚನೆ

ಸಂಖ್ಯೆ: ಸಂವ್ಯಶಾಇ 25 ಕೇನಿಪ್ರ 2025 ಬೆಂಗಳೂರು, ದಿನಾಂಕ: 30.12.2025.

ದಿನಾಂಕ: 09.12.2025ರಂದು ಭಾರತ ಸರ್ಕಾರದ ಗೆಜೆಟ್‌ನ ವಿಶೇಷ ಸಂಚಿಕೆಯ Part-II-Section-3 Sub Section (i)ರಲ್ಲಿ ಪ್ರಕಟವಾದ the Petroleum and Natural Gas Rules, 2025ರ Notification-GSR 888(E) ಅನ್ನು ಸಾರ್ವಜನಿಕರ ಮಾಹಿತಿಗಾಗಿ ಕರ್ನಾಟಕ ರಾಜ್ಯಪತ್ರದಲ್ಲಿ ಮರುಪ್ರಕಟಿಸಲಾಗಿದೆ,-

MINISTRY OF PETROLEUM AND NATURAL GAS

NOTIFICATION

New Delhi, the 9th December, 2025

G.S.R. 888(E).—In exercise of powers conferred by sections 5, 6, 9 and 9A of the Oilfields (Regulations and Development) Act, 1948 (53 of 1948) and in supersession of the Petroleum Concession Rules, 1949 and the Petroleum and Natural Gas Rules, 1959, except as respects things done or omitted to be done before such supersession, the Central Government hereby makes the following rules regulating the grant of petroleum leases in respect of mineral oils, and for conservation and development thereof, namely:-

CHAPTER I
PRELIMINARY

1. Short title and commencement. — (1) These rules may be called the Petroleum and Natural Gas Rules, 2025.

(2) They shall come into force on the date of their publication in the Official Gazette.

2. Definitions. — (1) In these rules unless the context otherwise requires,—

(a) "Act" means the Oilfields (Regulation & Development) Act, 1948 (53 of 1948);

(b) "bore-hole" means a well, drilled in the sub-surface with or without obtaining the cores of rock samples for the purposes of ascertaining information;

(c) "coal bed methane" means a natural gas consisting primarily of methane contained in coal beds under reservoir condition and extracted from there;

(d) "comprehensive energy project" shall mean any integrated initiative or undertaking that encompasses the exploration, extraction, development, generation, transmission, distribution, storage and utilisation of energy resources including but not limited to renewable energy sources, exploration and production of hydrogen;

(e) "condensate" means the low vapour pressure hydrocarbons which are obtained from natural gas through condensation or extraction in the form of liquid at normal surface temperature and pressure conditions;

(f) "continental shelf" shall have the same meaning as assigned to it in the Territorial Waters, Continental Shelf, Exclusive Economic Zone and Other Maritime Zones Act, 1976 (80 of 1976);

(g) "contract" means any agreement entered into between the Central Government and a lessee for the conduct of any mineral oil operations in any leased area but does not include the petroleum lease;

(h) "contractor" means any legal entity appointed as contractor under a contract with the Government for carrying out mineral oil operations;

Explanation.— For the purposes of this clause, it is hereby clarified that if there is more than one party constituting the contractor, they shall be individually referred to as member;

(i) "crude oil" means the petroleum in its natural state in liquid, viscous or solid form before it has been refined or otherwise treated from which water and foreign substances have been extracted;

(j) "data" means any information related to or arising out of or connected with mineral oil operations and includes, but is not limited to, geological, geophysical, geochemical, petrophysical, engineering data, well logs, maps, reservoir, drilling, production, and operational information, whether raw, modified, altered, adapted, aggregated, organised, structured, aligned, indexed, or otherwise interpreted, and also includes all interpretative and derivative data, including analyses, evaluations, and reports prepared by or on behalf of the lessee;

(k) "day" means any of the seven days of a week;

(l) "decarbonisation" means the reduction of greenhouse gas emissions, capture of carbon emissions and transition to renewable and low carbon energy sources;
(m) "development area" means that part of the leased area which encompasses one or more discovery, and any additional area that may be required for proper development of such discovery;
(n) "discovery" means the finding during mineral oil operations of a deposit or several deposits of mineral oil not previously known, which may be recovered at the surface in a flow measurable by standard testing methods used in the mineral oil industry;
(o) "drilling" or "boring" means perforation of the earth's surface crust by mechanical means (irrespective of whether the hole caused by the perforation is vertical, inclined, or horizontal) and includes all operations for preventing collapse of the sides of such hole or for preventing such hole from being filled with extraneous materials including water;
(p) "excess lease rent" means the portion of lease rent paid by the lessee in excess of the lease rent that ought to have been paid for the actual area and the actual term of petroleum lease enjoyed by the lessee;
(q) "exclusive economic zone" shall have the same meaning as assigned to it in the Territorial Waters, Continental Shelf, Exclusive Economic Zone and Other Maritime Zones Act, 1976 (80 of 1976);
(r) "exploration operations" means the operations conducted in the leased area in search for mineral oil accumulation not previously known, or appraisal of such mineral oil accumulation and shall include but not be limited to aerial, geological, geophysical, geochemical, paleontological, palynological, topographical and geo-scientific surveys, analysis, studies and their interpretation, investigations relating to the sub-surface geology including drilling of exploration wells and appraisal wells, testing and other related activities such as surveying, drill site preparation and all other work necessary for the purpose of exploration of mineral oils;
(s) "field" means the general area, which is underlaid, or appears to be underlaid, by at least one reservoir and shall include the underground reservoir or reservoirs containing mineral oil;
(t) "field development plan" means a plan submitted by the lessee or the contractor to the Central Government for the development of a discovery;
(u) "financial year" means the period from the first day of April of a calendar year to the thirty-first day of March of the following calendar year;
(v) "gas well" means any well, the production from which is predominantly natural gas or condensate, or both;
(w) "geophysical survey" means the search, by instruments for the presence of suitable underground geological structures and includes the sinking of bore-holes for detonating explosives necessary for the purpose, but not the drilling of deep core-holes or the sinking of trial shafts, trenches, or other kinds of large and deep excavations;
(x) "greenhouse gas" means a gas that traps heat in the atmosphere including but not limited to carbon dioxide, methane, nitrous oxide, hydrofluorocarbons and perfluorocarbons;
(y) "greenhouse gas emission" means the release of greenhouse gases from any mineral oil operations, including but not limited to flaring, venting, and combustion processes;
(z) "hydrocarbons" means any organic compound of hydrogen and carbon;
(za) "leased area" means the sub-surface area specified in the petroleum lease within which the mineral oil operations may be undertaken and which may be extended or relinquished in part or in full, in accordance with these rules, from time to time;
(zb) "lessee" means any entity which has been granted a petroleum lease or a mining lease, as the case may be;

(zc) "mineral oil operations" means exploration operations, development operations or production operations or any combination of two or more of such operations, including construction, operation and maintenance of all necessary facilities, plugging and abandonment of wells, safety, environmental protection, transportation, storage, sale or disposition of mineral oil, site restoration and any or all other incidental operations or activities as may be necessary;

Explanation. — For the purposes of this clause, the expression "development operations" shall mean the operations conducted in accordance with the field development plan and shall include, but not be limited to the purchase, shipment or storage of equipment and materials used in developing mineral oil accumulations, the drilling of wells, the laying of gathering lines, the installation of facilities and equipment required to produce, process and transport mineral oil into mineral oil storage or processing facilities;

(zd) "national oil companies" means any company engaged in mineral oil operations in which not less than fifty-one percent of the paid-up share capital is held by the Central Government, or by any State Government or Governments, or partly by the Central Government and partly by one or more State Governments, and includes a company which is a subsidiary company of such a national oil company;

(ze) "natural gas" means the gas obtained from wells and consisting primarily of hydrocarbons including associated natural gas, non-associated natural gas and all its constituent elements but does not include helium occurring in association with such hydrocarbons;

Explanation 1.— For the purposes of this clause, the expression "associated natural gas" shall mean natural gas produced in association with crude oil either as free gas or in solution, if such crude oil may by itself be commercially produced;

Explanation 2.— For the purposes of this clause, the expression "non-associated natural gas" shall mean the natural gas which is produced either without association of crude oil or in association with such quantities of crude oil which by itself cannot be commercially produced;

(zf) "oil well" means any well which is capable of producing crude oil and which is not a gas well;

(zg) "petroleum" means naturally occurring hydrocarbons, whether in the form of liquid, viscous or solid, or a mixture thereof, but does not include coal, lignite and helium occurring in association with petroleum or coal or shale;

(zh) "production operations" means all operations conducted for the purpose of producing mineral oil from the development area after the commencement of production from the development area including the operation and maintenance of all necessary facilities thereof;

(zi) "reservoir" means a naturally occurring accumulation of mineral oil including a geological unit limited by rock characteristics by structural or stratigraphic boundaries or coal or lignite of any rank which contains mineral oil (whether in association or independent of water or any other minerals) or a combination of these;

(zj) "samples" include core, cuttings, fluid, rock, soil and any other physical material collected during mineral oil operations;

(zk) "schedule" means the schedules appended to these rules;

(zl) "sequestration" means the process of capturing and permanently storing greenhouse gases within underground geological formations, particularly in depleted oil and gas reservoirs, deep saline aquifer, basaltic formations and coal bed methane reservoirs;

(zm) "site restoration" shall mean all activities required to return a site to its state as at the commencement date of the contract or grant of lease or render a site compatible with its intended after-use as far as practicable, after cessation of mineral oil operations pursuant

to a plan approved by the Central Government and shall include, where appropriate, abandonment of wells or other facilities, removal of equipment, structures and debris, establishment of compatible contours and drainage, replacement of top soil, in-filling of excavations and any other appropriate measures as may be required;

(zn) "territorial waters" shall have the same meaning as assigned to it in the Territorial Waters, Continental Shelf, Exclusive Economic Zone and Other Maritime Zones Act, 1976 (80 of 1976).

(2) All other words and expressions used and not defined herein, but defined in the Act shall have the same meanings assigned to them in the Act.

CHAPTER II
GENERAL

3. **Prospecting and production of mineral oils. —** The Central Government may either itself or through a person or entity authorised by it, prospect for or produce mineral oils within the territory of India, territorial waters, exclusive economic zone, and the continental shelf of India, the limits of which have been provided under the Territorial Waters, Continental Shelf, Exclusive Economic Zone and Other Maritime Zones Act, 1976 (80 of 1976).

Explanation 1.— For the purposes of this rule, the expression "prospect" with its grammatical variations shall mean search for a mineral oil deposit.

4. **No hindrance to mineral oil operations. —** (1) Any existing or future lessee of a petroleum lease shall allow reasonable access to existing and future holders of any other licence or lease granted by the Central Government or the State Government, as the case may be, over the leased area or any area adjoining the leased area or reached by the leased area.

(2) The holder of any other licence or lease granted by the Central Government or the State Government, as the case may be, who has been granted access to the leased area by the holder of a petroleum lease shall, —

(a) ensure that no substantial hindrance or interference is caused to mineral oil operations; and

(b) pay fair compensation to the holder of a petroleum lease for any loss or damage sustained by it.

CHAPTER III
PETROLEUM LEASE

5. **Application for grant of petroleum lease. —** (1) An application for the grant of a petroleum lease shall be submitted in the form specified in Schedule- I, —

(i) where the area falls within the territory of the Central Government, to the Central Government; and

(ii) where the area falls within the territory of the State Government, to the State Government and the Central Government.

(2) The applicant shall make the following payment to the Central Government or the State Government, as the case may be, namely:—

(a) a security deposit of rupees twenty-five lakhs, refundable at the expiry of the term of lease, to ensure compliance with the terms, covenants and conditions of the petroleum lease; and

(b) a non-refundable payment of rupees two lakh fifty thousand for meeting preliminary expenses.

(3) The Central Government or the State Government, as the case may be, shall within one hundred and eighty days of receipt of application with complete information from the applicant, decide the application submitted under sub-rule (1).
(4) In case the decision is to reject the application, the same shall be communicated to the applicant with reasons to be recorded in writing and the security deposit shall be refunded.
(5) In case the State Government does not communicate its decision on the application within ninety days of the receipt of the application, the Central Government at the request of the applicant or of its own accord, shall advise the State Government to expedite the decision on the application.
(6) On the expiry of a period of one hundred and eighty days, if the application has not been decided by the Central Government or the State Government, as the case may be, an application filed in respect of an area falling within the territory of the, —

(i) Central Government, shall be deemed to have been approved by the Central Government and the Central Government shall promptly execute the deed of petroleum lease with the applicant; and
(ii) State Government, shall be deemed to have been rejected by the State Government.

6. Grant of petroleum lease. — (1) A petroleum lease in respect of,—

(a) any mineral oil underlying the ocean floor within the territorial waters or the continental shelf or the exclusive economic zone of India and vested in the Union, shall be granted by the Central Government; and
(b) any mineral oil underlying land within the territory of a State Government, shall be granted by the State Government with the prior approval of the Central Government.

(2) The petroleum lease shall be granted in the format specified in Schedule-II.
(3) The petroleum lease shall be entered into between the applicant and the Central Government or the State Government, as the case may be, within ninety days from the date of approval of the application submitted under rule 5.
(4) For the purposes of calculation of any stamp duty payable on the petroleum lease, the value of the lease shall be the total lease rent payable for the term of the petroleum lease as per rule 9.
(5) Upon execution of the petroleum lease, the terms contained therein shall be final and binding on all parties, and shall not be altered, amended, or modified thereafter except by mutual consent of the parties.
7. Area and term of the petroleum lease. — (1) The area of the petroleum lease shall be specified therein and the leased area may be extended or relinquished in part or in full under these rules.
(2) A petroleum lease granted after the commencement of these rules shall, in the first instance be valid for a period of a minimum of four years and a maximum of thirty years, unless cancelled under these rules.
8. Rights of lessee. — Unless otherwise specified in the Act and the rules made thereunder or the contract, the lessee shall have the following rights, namely:—

(i) the exclusive right to explore for mineral oils in the leased area, including but not limited to conducting geological and geophysical surveys, drilling of wells, and testing operations for mineral oils;
(ii) the exclusive right to develop and produce mineral oils in the leased area along with the right to construct and maintain in and on such leased area such works,

buildings, plants, platforms, waterways, roads, pipelines, dams, reservoirs, tanks, pumping stations, tram ways, railways, communication cables, electric power lines and other structures and equipment, and other facilities as may be necessary for the purposes of the petroleum lease, or for fulfilling its obligations under the petroleum lease;

(iii) the rights and obligations to carry out site restoration, abandonment, and decommissioning of oil wells, installations, and associated facilities;

(iv) the rights to explore, plan, develop, and establish comprehensive energy projects in the oilfield and produce energy therefrom; and

(v) the rights to utilise the oilfields for decarbonisation activities.

9. **Lease rent. —** (1) The lessee shall pay the lease rent for the leased area to the Central Government or the State Government, as the case may be, at the following rates, namely:—

Amount (in Rupees) per square kilometre of leased area	Year
Two thousand	From commencement of first year to completion of fifth year.
Four thousand	From commencement of sixth year to completion of tenth year.
Six thousand	From commencement of eleventh year to completion of fifteenth year.
Eight thousand	From commencement of sixteenth year to completion of twentieth year.
Ten thousand	From commencement of twenty first year and onwards.

(2) The rates prescribed in sub-rule (1) may be increased by the Central Government up to a maximum of ten per cent in every five years from the commencement of these rules and any revision of the rates shall not be applicable to any petroleum leases granted prior to revision of these rates.

(3) The lessee shall, within thirty days of the grant of the petroleum lease, pay the lease rent to the Central Government or the State Government, as the case may be, for the first year in advance and the said lease shall be effective from the date of receipt of the payment.

(4) The lessee shall continue to pay the yearly lease rent in advance for every subsequent year on or prior to each anniversary of the petroleum lease at the prescribed rates.

(5) Any excess lease rent paid by the lessee may be adjusted against the lease rent or royalty due for subsequent years of the petroleum lease, with the prior approval of the Central Government or the State Government, as the case may be.

(6) In the event the petroleum lease is cancelled, the lease rent already paid by the lessee prior to such cancellation shall not be refunded or adjusted.

10. **Extension of term of petroleum lease. —** (1) The Central Government and the State Government with the prior approval of the Central Government, as the case may be, may extend a petroleum lease till the end of the economic life of the field, in accordance with these rules, in one or more instalments:

Provided that the duration of any single instalment of extension of the petroleum lease shall be for a period of not less than three months and not more than thirty years.

Explanation.— For the purposes of this rule, the expression "end of economic life of the field" shall mean the point in time beyond which continued production is objectively demonstrated to be commercially unviable.

(2) The economic life of the field shall be assessed taking into account good international petroleum industry practices and relevant factors, including but not limited to prevailing market conditions, resource recovery techniques, and accepted financial measures such as net present value, cash flow, and reserve assessments, and shall be subject to determination by the Central Government.

(3) An application for extension of the term of petroleum lease shall be submitted in the form specified in Schedule III to, —

(i) the Central Government, where the petroleum lease has been granted by the Central Government; or

(ii) the Central Government and the State Government, where the petroleum lease has been granted by the State Government.

(4) The application under sub-rule (3) shall be submitted at any time after the expiry of half of the term or the extended term but not later than six months prior to the expiry of the term or the extended term.

(5) The application submitted under sub-rule (3) shall be accompanied with a non-refundable processing fee of rupees five thousand.

(6) The decision of approval or rejection of the application shall be communicated to the lessee, in writing within one hundred and eighty days of receipt of the application.

(7) In case the State Government does not communicate its decision on the application within ninety days of the receipt of the application, the Central Government at the request of the applicant or of its own accord, shall advise the State Government to expedite the decision on the application.

(8) On the expiry of a period of one hundred and eighty days, if the application has not been decided by the Central Government or the State Government, as the case may be, an application filed in respect of an area falling within the territory of the, —

(i) Central Government, shall be deemed to have been approved by the Central Government and the Central Government shall grant the extension of the petroleum lease in the format specified in Schedule IV; and

(ii) State Government, shall be deemed to have been rejected by the State Government.

(9) In case the application under sub-rule (3) is approved, the extension of the petroleum lease shall be granted in the format specified in Schedule IV.

(10) For determining the rate of rent applicable during the extended term of a petroleum lease under rule 9, the duration of both the original and extended terms of the petroleum lease shall be considered as a continuous period.

Illustration.

A lessee is granted a petroleum lease for ten years and the lease is subsequently extended for another ten years, then, in the first year of the extended term, the lessee shall pay rent at the rate applicable for eleventh year under rule 9.

11. **Relinquishment of leased area. —** (1) Unless otherwise specified in the contract or the petroleum lease, a lessee may relinquish, —

(i) any part of the leased area other than the area where production operations are being carried out, upon giving at least ninety days written notice of its intention to do so; or

(ii) any part of the leased area where production operations are being carried out, upon giving at least one hundred and eighty days written notice of its intention to do so.

(2) The written notice referred to in sub-rule (1) shall be given to,—

(i) the Central Government, where the petroleum lease has been granted by the Central Government; and

(ii) the Central Government as well as the State Government, where the petroleum lease has been granted by the State Government.

(3) The effective date of relinquishment of the leased area or any part thereof shall be the later of the date specified in the notice or the expiry of the timeline provided under sub-rule (1).

(4) The petroleum lease shall stand cancelled to the extent of any area so relinquished.

(5) Any relinquishment under this rule shall be subject to compliance with other obligations of the lessee under the lease, contract and the applicable law.

12. Extension of leased area where reservoir extends to an area not awarded to any person. — (1) If a lessee has reason to believe that a reservoir found in the leased area may extend into an area not leased or otherwise awarded to any person, the lessee shall promptly inform the Central Government of such extension and take necessary steps to ascertain the extent of such extension of the reservoir and may, if required, seek a special petroleum lease under rule 62 for the said purpose.

(2) Upon ascertaining the reservoir boundaries, the lessee shall submit an application seeking extension of the leased area up to the reservoir boundaries in accordance with this rule, to:

(i) the Central Government, where the petroleum lease has been granted by the Central Government; and

(ii) the Central Government as well as the State Government, where the petroleum lease has been granted by the State Government.

(3) An application for extension of the leased area shall be submitted in the form specified in Schedule V.

(4) The Central Government or the State Government, as the case may be, to whom the application under sub-rule (2) has been submitted, shall decide the application within one hundred and eighty days of receipt of the application.

(5) In case the State Government does not communicate its decision on the application within ninety days of the receipt of the application, the Central Government at the request of the applicant or of its own accord, shall advise the State Government to expedite the decision on the application.

(6) On the expiry of a period of one hundred and eighty days, if the application has not been decided by the Central Government or the State Government, as the case may be, an application filed in respect of an area falling within the territory of the, —

(i) Central Government, shall be deemed to have been approved by the Central Government and the Central Government shall promptly grant extension of the area in the format specified in Schedule VI; and

(ii) State Government, shall be deemed to have been rejected by the State Government.

(7) If the application under sub-rule (2) is approved, the extension of the area, shall be granted in the format specified in Schedule VI.

(8) The concerned lessee shall not suspend or keep in abeyance, any mineral oil operations in the leased area on account of taking of any action or pendency of any action taken under this rule.

13. Unitisation. — (1) If a lessee has reason to believe that a reservoir found in the leased area may extend into an area leased or otherwise awarded to any person, the lessee shall promptly submit the necessary documents and information relating to the extension of the reservoir to,—

(ii) the Central Government;

(iii) the State Governments who have jurisdiction on the area where part or all of the reservoir is situated; and

(iv) all lessees of the areas in which the reservoir extends.

(2) All the concerned lessees,—

(i) shall mutually cooperate with each other to ascertain the reservoir boundaries and explore the possibility of joint exploration, development and production of mineral oils from the reservoir, and may take all necessary steps for the said purpose, including sharing the data and participating in technical assessments; and

(ii) may jointly explore, develop and produce mineral oils for maximising the operational efficiency of recovery of mineral oil.

(3) Where the concerned lessees intend to jointly explore, develop or produce mineral oils, they shall submit a joint development programme to the Central Government and enter into an agreement with the Central Government for the joint exploration, development or production of mineral oils from the reservoir as a unit.

(4) The concerned lessees shall not suspend or keep in abeyance, any mineral oil operations on account of taking of any action or pendency of any action taken under this rule.

14. Royalty on mineral oils and furnishing of returns and particulars. — (1) A lessee shall –

(i) where the petroleum lease has been granted by the Central Government, pay the royalty to the Central Government; and

(ii) where the petroleum lease has been granted by the State Government, pay the royalty to the State Government,

in respect of any mineral oil produced by it from the leased area at the rate specified in the Schedule of the Act and the royalty shall be payable on a monthly basis and shall be paid by the last day of the month succeeding the period in respect of which it is payable:

Provided that the Central Government or the State Government with the approval of the Central Government, as the case may be, may direct that such royalty be paid in mineral oil:

Provided further that no royalty shall be payable in respect of any mineral oil which is unavoidably lost or is returned to the reservoir or is used for drilling or other operations relating to the production of mineral oil.

(2) The lessee shall within the first seven days of every month furnish or cause to be furnished, a return showing the quantity of all the mineral oil produced during the preceding month from mineral oil operations conducted pursuant to the petroleum lease in the format specified in Schedule VII to:

(i) the Central Government where the petroleum lease has been granted by the Central Government; and

(ii) the Central Government and the State Government where the petroleum lease has been granted by the State Government.

(3) Where a reservoir underlies the jurisdiction of two or more State Governments or the Central Government, each Government shall be entitled to royalties in proportion to the extent of the reservoir underlying its jurisdiction.

(4) If the Central Government or the State Government, as the case may be, is not satisfied with any return furnished in accordance with sub-rule (2), it may,—

(i) require the lessee to furnish additional information with respect to the mineral oils produced, or

(ii) appoint an officer not below the rank of Director to the Government of India to make necessary enquiries related to mineral oil produced.

(5) The officer appointed under sub-rule (4) shall—

(i) conduct enquiries as it may deem necessary, or

(ii) require the lessee or the manager or person acting as manager or secretary of such lessee to produce any books, accounts, documents in his possession or control for inspection, which the officer considers necessary for ascertaining the quantity of the mineral oil produced and may make copies thereof.

(6) Upon completion of the enquiries under sub-rule (5), the officer shall submit a report to the Central Government or the State Government, as the case may be.

(7) On receipt of the report submitted by the officer, the Central Government or the State Government, as the case may be, if it is of the opinion that the quantity of any mineral oils declared in the return is incorrect, may determine the quantity of such mineral oils and upon such determination, the lessee shall be required to promptly pay royalty on the quantity assessed to be in excess of the declared quantity and pay interest thereon along with penalties as may be imposed under these rules.

15. Stabilisation. — (1) In the event of a change in law, the affected lessee shall be entitled to be restored, as nearly as possible to the economic equilibrium which existed immediately prior to the date of the change in law.

(2) The affected lessee shall no later than ninety days from the occurrence of such change in law, inform the estimated reduction of economic benefit on account of such change in law to the Central Government and the concerned State Government and submit supporting documents evidencing the same and the Central Government or the concerned State Government may seek any additional information or documents concerning the same and the affected lessee shall provide the same within a period of sixty days.

(3) The affected lessee and the Central Government or the State Government, as the case may be, shall use their best efforts to amicably arrive at a mutually acceptable solution within one year from the date of occurrence of the change in law.

(4) If the affected lessee and the Central Government or the State Government, as the case may be, are unable to resolve the matter amicably, the lessee may, at the expiry of the period specified in sub-rule (3), commence provisional adjustment of such sums as it reasonably believes are necessary to restore it to the same financial position as specified in sub-rule (1) against dues payable by it to the Central Government or the State Government, as the case may be, in the manner provided in sub-rule (5).

(5) The deduction under sub-rule (4) may, in the first instance be made from any dues payable by the lessee under the contract, lease, the Act or these rules, to—

(i) the Central Government, where the change in law is made by Parliament; and

(ii) the State Government, where the change in law is made by the legislature of that State:

Provided that the lessee, after giving prior notice of not less than thirty days to both the Central Government and the State Government, may adjust any balance amount remaining after such deduction against the dues payable to—

(i) the State Government, where the change in law is made by Parliament; and

(ii) the Central Government, where the change in law is made by the legislature of the State.

(6) The lessee shall inform the Central Government and the concerned State Governments of each such deduction made by it, specifying the amount deducted and provide all other relevant and necessary information relating to the deductions made.

(7) The Central Government or the State Government, as the case may be, shall be entitled to dispute any deduction made under this rule, in accordance with the dispute resolution procedure in the contract or lease, as the case may be.

Explanation.— For the purposes of this rule, "change in law" shall mean a change in the following:—

(i) the taxes, duties, levy, cess, fees, royalties, charges, impositions under the laws applicable in India payable by the lessee after the date of the petroleum lease resulting in reduction of economic benefit to the lessee, or

(ii) any laws for the time being in force in India governing labour and employment, protection of the environment, health or safety, or site restoration and decommissioning, resulting in reduction of economic benefit to the lessee of more than USD 5,000,000 (United States Dollars Five Million) in any financial year after the date of the petroleum lease,

whether such change arises on account of a change in rates, change in the laws applicable in India or change in interpretation by judgement of a court which has become final, conclusive and binding, as compared to such interpretation or application prior to the date of the petroleum lease.

16. Payment of prevailing market price for producing mineral oils from outside the leased area.— If any person undertakes production of mineral oils from a well or a borehole located in any area outside the leased area, the Central Government, in addition to a penalty referred to in section 9 of the Act, may require such person to pay the prevailing fair market price of the mineral oils produced outside the leased area, which shall be recovered as arrears of land revenue under applicable law:

Provided that any action under this rule shall be without prejudice to any other legal remedy available to the Central Government or the State Government, as the case may be, under the applicable law.

17. Application for merger of lease. — (1) A lessee holding more than one petroleum lease, may submit an application to the Central Government and the concerned State Government to merge or combine two or more leased areas into a single lease for the efficient development, operation, or management of the mineral oil resources.

(2) The Central Government or the State Government with the prior approval of the Central Government, may grant such petroleum lease for any merged or combined areas, on terms and conditions as may be mutually agreed between the lessee and the Central Government or the State Government, as the case may be.

18. Cancellation of lease. — (1) If the lessee at any time during the term of the petroleum lease:

(i) fails to fulfil or contravenes any of the terms, covenants, and conditions contained therein; or

(ii) fails to use the leased area for *bona fide* purposes for which it has been granted; or

(iii) uses the leased area for a purpose other than that for which it has been granted; or

(iv) fails to pay any lease rent, royalty or other payment due in respect of the petroleum lease for a period of more than three months,

the Central Government or the State Government, as the case may be, may issue a notice to the lessee directing it to submit an explanation within ninety days as to why the petroleum lease should not be cancelled.

(2) Where the Central Government or the State Government with the prior approval of the Central Government, as the case may be, after considering the representation, if any, made by the lessee,—

(i) is satisfied that the failure, contravention or use is not of a remediable nature, or is of a remediable nature but has not been remedied within the notice period of ninety days, it may forfeit the whole or any part of the security deposit made under rule 5 and may cancel the petroleum lease; or

(ii) is satisfied that the failure, contravention or use is of a remediable nature and has been remedied within the notice period of ninety days, may forfeit the whole or any part of the security deposit made under rule 5, but shall not cancel the petroleum lease:

Provided that the State Government shall not cancel the petroleum lease without obtaining prior approval of the Central Government.

(3) Where the Central Government has entered into a contract with the lessee, the petroleum lease shall stand cancelled upon the termination of the contract.

(4) Any action taken under this rule shall be without prejudice to the powers of the adjudicating authority under these rules.

CHAPTER IV
OTHER PROVISIONS RELATING TO THE PETROLEUM LEASE

19. **Identification of areas.—** The lessee shall display notices at all conspicuous points where operations are being carried out within the leased area.

20. **Transfer or assignment. —** (1) The lessee shall not assign or transfer its rights, title and interest in the petroleum lease without the consent in writing of the Central Government or the State Government with the prior approval of the Central Government:

Provided that if the transfer or assignment of the rights, title and interests in the petroleum lease is consequent upon or pursuant to a transfer or assignment of the participating interests previously approved by the Central Government under the contract, the Central Government or the State Government, as the case may be, shall not withhold its consent under sub-rule (1).

(2) Upon grant of consent under sub-rule (1), the petroleum lease shall be amended with effect from the date on which the transfer or assignment is made effective.

21. **Pre-emption.—** (1) In the case of a national emergency in respect of mineral oils, the Central Government shall have the right of pre-emption of the mineral oils produced from the leased area or mineral oil products made from the mineral oils:

Provided that the fair market price prevailing at the time of pre-emption shall be paid to the lessee by the Central Government for the mineral oils or mineral oil products taken in pre-emption.

(2) The decision of the Central Government on which circumstances constitute a national emergency in respect of mineral oils shall be final.

22. **General provisions.—** (1) The lessee shall,—

(i) maintain all apparatus, appliances and wells capable of producing mineral oil in the leased area in good condition and repair; and

(ii) execute all mineral oil operations in a safe, secure, proper and workmanlike manner and in accordance with good international petroleum industry practices.

(2) Where in the opinion of the Central Government, the mineral oil operations are not being carried out in accordance with good international petroleum industry practices, the Central Government shall pass an order in writing stipulating the steps required to be taken by the lessee to align its operations with good international petroleum industry practices:

Provided that—

(i) the lessee is given an opportunity of being heard;

(ii) the order records its reasons in writing; and

(iii) the order is made for the purposes of optimising recovery of mineral oils while maintaining good reservoir health, ensuring safety or protecting the environment by adopting sustainable practices.

23. **Recovery of helium from natural gas.—** In the event any helium is produced with natural gas from the leased area, the lessee shall inform the same to the Central Government immediately in writing, and thereafter may extract, use, sell or otherwise dispose of the helium in accordance with applicable law.

24. **Continuity of mineral oil operations upon cancellation of petroleum lease.—** Upon cancellation of a petroleum lease or any part thereof, the lessee shall, if required by the Central Government and at the cost of the Central Government, for a specified period not exceeding one year from such cancellation,—

(i) render full cooperation in ensuring continuity of mineral oil operations, without disruption, until such time as the Central Government or its nominated entity takes over full operational control;

(ii) provide all technical and operational assistance necessary for the takeover, including the provision of relevant personnel, documentation, and system access; and

(iii) provide technical assistance, documentation, or personnel support following the takeover, to ensure operational continuity and safety.

25. **Delivery of premises upon determination of petroleum lease.—** Unless otherwise directed by the Central Government under rule 24, upon cancellation, expiry or relinquishment of a petroleum lease or any part thereof, the lessee shall deliver up the area released by such cancellation, expiry or relinquishment after completion of site restoration, and hand over the assets used for mineral oil operations in accordance with the terms of the contract, and where no such contract exists, as per the terms mutually agreed between the Central Government and the lessee.

26. **Interest.—** All lease rent, royalties and other payments under these rules, if not paid to the Central Government or the State Government, as the case may be, within the time specified for such payment, shall attract simple interest equal to the State Bank of India Prime Lending Rate plus two per cent per annum, calculated from the due date until the date of actual payment.

27. **Surface rights.—** (1) A lessee shall separately obtain the land actually used for the purpose of conducting mineral oil operations, either by purchase or on lease from the Central Government or the State Government, local authority or other persons, as the case may be.

(2) Where the surface area has been leased by the Central Government or the State Government or a local authority to a lessee, the surface rent payable to the Government or local authority shall not exceed the land revenue and cesses assessed or assessable on the land.

CHAPTER V
REGULATION OF OPERATIONS

28. Control of operations to prevent escape of mineral oils or access of water.— The Central Government may, after issuance of a notice to the lessee,—

(i) assume control of the operation of an oil well or gas well or any other mineral oil well and adopt measures necessary or expedient to prevent the escape of mineral oil or water from the well, if the lessee fails to do so or appears unable to do so;

(ii) assume control of the operation of an oil well or gas well or any other mineral oil well and adopt measures necessary or expedient to prevent the access of water to such well or to any mineral oil bearing strata;

(iii) for the above purposes appoint any agents and authorise them to enter upon the premises and perform the necessary and expedient work and for this purpose to take possession of and use any necessary drilling rig, derrick, tools, machinery and other appliances or materials, whether available at the location or in the possession or control of the lessee, for the performance of the said work, and

(iv) recover from the lessee all the costs and expenses incurred in the performance of the operations so undertaken by the Central Government.

29. Suspension of operations.— No lessee shall undertake any of the following actions, without giving a prior notice of fourteen days to the Central Government.—

(i) suspend normal drilling;

(ii) suspend normal production operations;

(iii) abandon an oil well or gas well or any other mineral oil well;

(iv) re-condition an oil well or gas well or any other mineral oil well; or

(v) resume drilling operations after a previous completion, suspension or abandonment of an oil well or gas well or any other mineral oil well:

Provided that, if normal drilling or normal producing operations have to be suspended immediately due to any unforeseen reason, notice thereof shall be given to the Central Government within twenty-four hours of such suspension.

30. Development and monitoring of comprehensive energy projects at oilfields.— (1) Any lessee intending to develop a comprehensive energy project shall submit a comprehensive energy development plan to the Central Government, at least six months prior to initiating the process of development of the project.

(2) The comprehensive energy development plan shall include the following, namely:—

(i) the plan for integration of mineral oil operations and energy projects including but not limited to solar, wind, hydrogen, or geothermal energy projects;

(ii) feasibility studies for integrating the energy sources;

(iii) estimated costs of the project;

(iv) duration of the project;

(v) estimated generation and production of energy;

(vi) strategy for sale of generated energy;

(vii) steps to be taken to ensure that mineral oil operations and comprehensive energy operations are carried out at the site in a safe manner;
(viii) risk management and contingency plan; and
(ix) any other information sought by the Central Government.

(3) The Central Government may amend the comprehensive energy development plan and the lessee shall carry out the project in accordance with such amendments.
(4) The lessee may propose modifications to the comprehensive energy development plan and the plan shall stand modified upon approval of the Central Government.
(5) The lessee shall obtain necessary approvals, licences and permits, as required under applicable laws for carrying out the comprehensive energy projects and for continuing the projects after the expiry of the petroleum lease.

CHAPTER VI
COLLECTION, AGGREGATION, DISSEMINATION, USE AND SHARING OF DATA AND SAMPLES RELATED TO MINERAL OILS

31. Cores and samples.— (1) Every lessee shall, –
(i) so far as is reasonably practicable collect, label and preserve for reference for a period of at least twelve months all bore-cores and characteristic samples of the strata encountered in all boreholes on the area covered by the lease and samples of any mineral oil or water discovered in any bore-hole; and
(ii) furnish the reports of all examinations made of the cores and samples to the Central Government.

(2) Cores and samples preserved shall at all times be made available for examination to the Central Government and may be taken for the purpose of examination or analysis, but no information obtained as a result of the examination or analysis shall be published without the consent of the lessee unless the Central Government deems it fit to direct otherwise.

32. Title in data and lessee's duty to submit data.— (1) All data obtained as result of mineral oil operations shall be the property of the Central Government.
(2) All lessees shall promptly submit all data collected, generated or otherwise processed in relation to or during the course of mineral oil operations to the Central Government.
(3) The data submitted by the lessee shall conform to the standards, formats and protocols of the Central Government.

33. Lessee's rights to use data.— The lessee shall have the right to use, free of cost the data obtained as a result of mineral oil operations and to retain copies of the data for the purpose of its own research and development purposes and for conducting mineral oil operations.

34. Use and dissemination of data and samples.— (1) The Central Government shall have the right to use, free of cost, the data and samples for any lawful purpose, including but not limited to, for the purposes of the following, namely:—
(i) national economic planning and resource management;
(ii) policy making, academic and scientific research;
(iii) attracting and facilitating investments in mineral oil operations and exploration of mineral oils in India;
(iv) conducting environmental, geological and safety assessments;
(v) facilitating sustainable development, climate resilience, carbon neutrality, biodiversity preservation, social equity, community empowerment, sustainable development goals; and
(vi) protecting the sovereignty and integrity of India.

(2) The Central Government may share data and samples with academic institutions, research organisations, public bodies and investors, whether domestic or foreign on the terms and conditions as deems fit.

35. **Protection of proprietary data.—** (1) Any data submitted by the lessee to the Central Government which, at the time of submission, is expressly identified and clearly marked as 'proprietary', and is demonstrated by the lessee to the satisfaction of the Central Government to be of such proprietary nature, shall be treated as the proprietary data of the lessee.

(2) The decision of the Central Government as to whether any data qualifies as proprietary data shall be final and binding.

(3) The Central Government shall have a worldwide, perpetual, royalty-free, irrevocable, sub-licensable and transferable right to access and use proprietary data in any manner for the purposes of—

(i) national economic planning and resource management;

(ii) policy making, academic and scientific research;

(iii) facilitating sustainable development, climate resilience, carbon neutrality, biodiversity preservation, social equity, community empowerment, sustainable development goals; and

(iv) processing and interpretation of data for promotion of acreages in the sedimentary basins.

(4) The Central Government shall not disclose proprietary data to any private third party, nor make it publicly available without the prior written consent of the lessee and shall maintain its confidentiality for a period of seven years from the date on which such data came into existence, or such extended period, as may be approved by the Central Government:

Provided that under exceptional circumstances, the Central Government shall make such disclosure, if necessary, under the applicable law.

(5) Where the Central Government discloses proprietary data to any private third party, it shall do so on the condition that such private third party shall maintain confidentiality for a period of seven years from the date on which such data came into existence or such extended period as may be approved by the Central Government.

36. **Transitional and Operational Access Obligations.—** (1) In the event of transfer or cancellation of a petroleum lease, the lessee shall hand over all data and samples required to be submitted under rule 31 and rule 32, to the Central Government within ninety days:

Provided that the lessee may retain one copy of the data for its own use, research and development or for compliance with applicable laws with prior approval of the Central Government but shall not be entitled to make any other use of the data.

(2) The Central Government may allow succeeding lessee or third parties access to the data to ensure continuity of mineral oil operations.

CHAPTER VII
ENVIRONMENT PROTECTION, DECARBONISATION, MONITORING OF GREENHOUSE GAS EMISSIONS AND FLARED GAS

37. **Environmental protection.—** (1) The lessee shall comply with applicable environmental laws, minimise the environmental impact of mineral oil operations and take all necessary steps to prevent hazards to human life, property, environment, marine resources or navigation while conducting mineral oil operations.

(2) In case of non-compliance or deviation from sub-rule (1), the Central Government shall direct the lessee to take the necessary remedial measures in a time bound manner.

(3) Where any harm or damage is caused to any person or property or the environment in connection with mineral oil operations:

(i) the Central Government may undertake remedial measures at the sole cost and expense of the lessee;
(ii) the lessee shall be liable for any harm or damage in accordance with applicable law; and
(iii) the lessee shall be liable for any other losses and liabilities of the Central Government arising from the harm or damage.

38. Reduction of greenhouse gas emissions.— (1) Every lessee shall submit a plan for monitoring and reduction of greenhouse gas emissions within one hundred and eighty days from the commencement of these rules or along with the submission of the field development plan, whichever is later, with necessary details, including but not limited to:—

(i) identification of sources of greenhouse gas emissions from mineral oil operations;
(ii) methodology and frequency of measurements;
(iii) brief description of the equipment and techniques proposed to be used for measurement;
(iv) time-bound reduction targets;
(v) sources of flaring or venting; and
(vi) milestones to achieve zero gas flaring.

(2) Every lessee shall ensure that in any month, no volume of gas is flared in excess of 0.5 per cent of the production from the field in that month.
(3) If at any time, the volume of flared gas exceeds 0.5 per cent of the daily production from the field, the lessee shall immediately inform the Central Government or the State Government, as the case may be, within twenty-four hours specifying the causes and immediately take remedial steps to reduce the gas flaring.
(4) Every lessee shall adopt all necessary measures to reduce greenhouse gas emissions that take place during the course of mineral oil operations.
(5) Every lessee shall submit monthly report to the Central Government of the gas produced and flared in the preceding month.
(6) Every lessee shall submit an annual report disclosing actions taken as per the plan referred to in sub-rule (1), specifying any deviation from the plans and corrective action taken.
(7) The Central Government or the State Government, as the case may be, may, for the purpose of verification or compliance audit, require the lessee to obtain third-party independent verification of metering, estimation, or reporting.
(8) The lessee shall review and update the plan submitted under sub-rule (1) once in five years.

39. Authorisation for greenhouse gas sequestration, injection and storage permit.— (1) Any lessee intending to assess the feasibility of geological storage of greenhouse gases within a leased area shall, prior to commencement of any activity, obtain an authorisation for such assessment from the Central Government.
(2) Upon completion of the assessment, a lessee may submit an application for the issuance of an injection permit to the Central Government.
(3) The term of the injection permit in the first instance shall be two years, which may be renewed thereafter upon satisfactory performance and compliance with these rules.
(4) The injection permit shall only be for executing pilot tests and studies to establish the geological suitability of the reservoir for permanent sequestration and shall not grant long-term storage rights to the lessee.

(5) The lessee shall conduct the injection of greenhouse gases in accordance with a plan which shall be approved by the Central Government and no deviation from the plan shall be made without obtaining prior approval of the Central Government.

(6) After completion of the injection tests and establishment of the geological suitability of the reservoir for sequestration in the designated geological formations, a lessee intending to store greenhouse gases may apply and obtain a storage permit for permanent storage of greenhouse gases for sequestration purposes from the Central Government.

(7) The lessee shall submit an environmental management plan and a disaster management plan to the Central Government and the State Government, outlining the measures to mitigate risks to the environment, including groundwater contamination, surface water impacts and atmospheric releases and shall comply with the plans.

40. **Monitoring, reporting and verification of injected greenhouse gases.—** (1) The lessee shall undertake continuous monitoring of the geological formation, including pressure levels, gas migration and seal and reservoir integrity throughout the period during which greenhouse gases are injected.

(2) The lessee shall submit annual reports to the Central Government detailing the volumes of greenhouse gases injected, reservoir behaviour and any deviations from the approved injection plan.

(3) The lessee shall report any incident of greenhouse gas leakage or other environmental hazard pertaining to greenhouse gases immediately to the Central Government and the concerned authorities along with the details of the remedial measures taken by the lessee.

(4) The Central Government shall audit or verify the lessee's greenhouse gas storage and sequestration activities, monitoring, reporting and verification data or on-site operations.

Explanation.— For the purposes of this rule, the expression "monitoring, reporting, and verification" shall mean continuous oversight, data collection, and periodic submission of reports.

(5) The lessee shall be liable for any damage caused to the environment or public health on account of greenhouse gases storage operations during the period of active sequestration and for the post-injection period and shall be required to compensate the affected parties and take remedial measures to address environmental or public health concerns.

41. **Closure and post-injection monitoring of injected greenhouse gases.—** (1) Upon cessation of greenhouse gas injection and completion of the monitoring period, the lessee shall submit a site closure plan to the Central Government for approval, which shall include:—

(a) procedures for well plugging and abandonment;

(b) restoration of the surface area to its original or an agreed-upon condition; and

(c) post-closure monitoring provisions,

and take all steps for site closure in accordance with the approved site closure plan, the appliable laws and the good international petroleum industry practices.

(2) The lessee shall continue to monitor the site for a minimum period of five years after site-closure and shall ensure the integrity of the geological storage and report any anomalies to the Central Government and concerned authorities.

42. Measurement and reporting of flared gas.— (1) The lessee shall accurately measure the volume of gas flared.

(2) The lessee shall report the volume of gas flared and the associated emissions to the Central Government on a quarterly basis.

43. Site restoration.— (1) The lessee shall undertake site restoration in accordance with the guidelines, schemes and policies of the Central Government notified from time to time and the good international petroleum industry practices.

(2) The lessee shall maintain a site restoration fund in accordance with guidelines, schemes and policies of the Central Government.
(3) If the lessee fails to comply with sub-rule (1), the Central Government may issue directions to the lessee to take the remedial measures and its timeline.
(4) In the event of failure to comply with sub-rule (1) or the directions issued under sub-rule (3), the Central Government shall undertake remedial measures at the sole cost and expense of the lessee.
(5) The lessee shall be liable for:
(a) any harm or damage caused to any person, property or the environment in accordance with the applicable laws, and
(b) any other losses and liabilities of the Central Government arising from such harm or damage.

CHAPTER VIII
SHARING OF INFRASTRUCTURE AND FACILITIES

44. Declaration of infrastructure capacity.— The lessee shall make an annual declaration to the Central Government of the installed, utilised and excess capacity of the infrastructure facilities relating to mineral oil operations owned by it.

45. Development and sharing of infrastructure by mutual agreement.— Two or more lessees may jointly develop or share infrastructure facilities for mineral oil operations on mutually agreed terms and conditions.

46. Declaration and use of excess capacity in infrastructure facilities.— (1) Where lessees are unable to mutually agree on the terms and conditions for sharing an infrastructure facility, any lessee seeking to use the excess capacity of such facility may make a representation to the Central Government requesting,—
(i) determination of the available excess capacity; and
(ii) permission for use of such excess capacity by other parties.

(2) Upon receipt of such representation or on its own motion in public interest, the Central Government shall issue a notice to the person who owns, has developed, or has obtained the infrastructure facility on lease, hire or through any other lawful arrangement, indicating its intent to determine and permit the use of any excess capacity therein and direct the person to furnish all relevant information relating to the infrastructure facility, including costs within sixty days of the receipt of the notice.
(3) The person to whom notice is issued shall provide the relevant information and may also submit the following within the period specified in sub-rule (2),—
(i) objections to the proposed use of the excess capacity; or
(ii) proposed terms and conditions acceptable to it for sharing such excess capacity.

(4) The Central Government shall, after giving an opportunity of being heard to both the parties, pass an order within a period of one hundred and eighty days from the date of issuance of the notice under sub-rule (2),—
(i) determining the existence and extent of excess capacity, if any; and
(ii) prescribing the terms, conditions, reasonable tariff and duration for the use of such excess capacity by other parties.

(5) The Central Government while passing an order under sub-rule (4), shall consider all relevant factors, including the operational requirements of the person who owns, has developed, or has obtained the infrastructure facility on lease, hire or through any other lawful arrangement.
(6) Both the parties shall submit a report of the action taken pursuant to the order passed by the Central Government within sixty days of the receipt of the order.

CHAPTER IX

ADJUDICATING AUTHORITY

47. **Continuity of proceedings.—** In case the officer designated as the adjudicating authority ceases to hold office for any reason whatsoever, the proceedings shall continue from the same stage before the newly appointed adjudicating authority.

48. **Adjudication.—** (1) A complaint may be preferred against the lessee or any other person either by the Central Government or the State Government or any other person, in writing to the adjudicating authority, wherein the complaint must necessarily disclose the following, namely:—

(a) the details of contraventions and breaches under the Act and the rules;

(b) the persons involved in the contravention; and

(c) the documents evidencing the commission of the breaches or contraventions.

(2) Upon receipt of the complaint from a person other than the Central Government or the State Government, the adjudicating authority shall conduct a preliminary inquiry and submit a report to the Central Government, within a period of forty-five days from the date of receipt of complaint.

(3) In case the report of the adjudicating authority discloses sufficient ground for proceeding with the case, or in case the complaint is made by the Central Government or the State Government, the adjudicating authority shall issue a show cause notice to the lessee or any other person, as the case may be, to submit an explanation as to why an inquiry should not be commenced against the lessee or any other person for inquiring into the contraventions.

(4) In case the report of the adjudicating authority discloses insufficient ground for proceeding with the case and the adjudicating authority is satisfied, he shall pass a reasoned order declining the request to initiate the inquiry.

(5) A show cause notice issued by the adjudicating authority shall include the following, namely:—

(i) the details of contraventions and breaches under the Act and the rules; and

(ii) supporting documents including copy of the complaint.

(6) The lessee shall be afforded an opportunity of hearing within thirty days of the receipt of the explanation to the show cause notice.

(7) Upon receipt of the show cause notice, the lessee or any other person shall submit a written explanation within sixty days from the date of receipt of the said notice and shall necessarily provide the following, namely:—

(i) a brief background of the case;

(ii) a detailed statement of facts;

(iii) explanations, justifications and specific responses to each contravention or breach alleged in the show cause notice;

(iv) specific denials of any allegations of fact not admitted as true;

(v) a supporting affidavit affirming and verifying the contents of the explanation; and

(vi) all documents relied upon in support of the case:

Provided that in case, the document is not in the possession or control of the lessee or such person, the explanation shall disclose the identity of the person or entity in whose possession or control the document is.

(8) If the lessee or any other person to whom a show-cause notice has been issued, fails to submit the explanation within the time limit specified in sub-rule (7) and the adjudicating authority is satisfied that the lessee had sufficient cause for not submitting the explanation, he shall condone the delay for a period of thirty days for submission of the explanation.

(9) During the hearing, the lessee or any other person may make oral submissions either itself or through its duly authorised representative and may provide written submissions to the adjudicating authority along with supporting documents and evidence.

(10) If the lessee or any other person fails to appear for hearing on the date so appointed, an opportunity may be given by issuing a reminder to appear within fifteen days of receipt of the reminder, failing which the adjudicating authority shall decide the matter *ex parte* on merits.

(11) The adjudicating authority may, within thirty days from the date of the conclusion of the hearing or the date of order to proceed *ex parte*, as the case may be, if necessary, give an opportunity to the complainant to submit an explanation on:

(i) the submissions made by the lessee or any other person; or

(ii) any new issue raised by the lessee or such person.

(12) The adjudicating authority, may if necessary, seek assistance of technical, financial and legal experts in order to conduct the inquiry.

(13) The adjudicating authority may draw adverse inference against a person who refuses to comply with any summons, directions or instructions issued by it.

(14) The record of the proceedings held before the adjudicating authority shall be duly maintained.

(15) The adjudicating authority, within a period of one year from the date of receipt of the complaint, shall pass a reasoned order deciding the matter after taking into consideration the submissions made by the parties and the record available and specify the quantum of any penalty levied.

(16) If the adjudicating authority is of the opinion that any of the issues referred to it, disclose a dispute between parties which is capable of or requires settlement through mediation, conciliation or arbitration, the adjudicating authority may direct the parties to refer the matter for dispute resolution under rule 51.

(17) The adjudicating authority may segregate issues capable of or requiring settlement through dispute resolution mechanism from other issues referred to it and direct the parties to refer only the segregated issues for settlement.

(18) An appeal against an order passed by the adjudicating authority shall lie with the Appellate Authority in accordance with the provisions of Section 9B of the Act.

49. **Payment of penalty and interest.—** (1) The penalty imposed by the adjudicating authority shall be paid within forty-five days of receipt of the order, subject to orders passed by the Appellate Authority, if any.

(2) Where the penalty is not paid within the time limit specified in sub-rule (1), the penalty shall attract simple interest at a rate equal to the State Bank of India Prime Lending Rate plus two percent per annum, calculated from the expiry of the period set out in sub-rule (1) until the date of actual payment.

50. Manner of recovery of penalties.— Where any person who is liable to penalties under the Act and these rules, fails to pay such penalty and the applicable interest within the time specified in these rules, the Central Government may recover such penalties by:

(i) adjusting the necessary amount from any amount deposited with the Central Government or the State Government, as the case may be, as security deposit;

(ii) invoking any guarantee or encashing any bond submitted to the Central Government or the State Government, as the case may be;

(iii) adjusting the necessary amount against any dues payable by the Government to such person;

(iv) issuing a recovery certificate specifying the amount due and sending it to the competent revenue authority for recovery as arrears of land revenue under applicable law; and

(v) taking any other legal recourse as per the applicable law.

CHAPTER X

DISPUTE RESOLUTION

51. **Resolution of disputes.—** (1) In the event of any dispute, difference, or claim arising out of or in connection with the petroleum lease or contract between the lessee, contractor and the Central Government or the State Government, as the case may be, executed after the commencement of these rules, the parties therein shall endeavour to resolve such disputes, differences, or claims in accordance with the dispute resolution procedure as set out in the petroleum lease or contract.

(2) Where arbitration is provided for in the lease or contract, the seat of arbitration at the time of execution of the lease or contract, shall be at:

(a) New Delhi, India or a neutral jurisdiction as opted by the contractor, where any lessee or member of the contract is a foreign company as defined in the Companies Act, 2013; and

(b) New Delhi, India, where all of the lessees or members of the contract are companies incorporated in India:

Provided that where the lessee or a member of the contract is a subsidiary company incorporated in India and its holding company is a foreign company holding more than fifty-one per cent of its shareholding, the seat of arbitration shall be at New Delhi, India or a neutral jurisdiction as opted by the contractor.

(3) In the event of any change in the parties to the applicable petroleum lease or contract, the parties may apply to the Central Government or the State Government, as the case may be, for amendment of the seat of arbitration in the contract or the petroleum lease, subject to the requirements specified in sub-rule (2).

(4) For the purposes of the Act and the rules, the following matters shall be non-arbitrable, namely:—

(i) disputes involving the imposition of penalties under these rules;

(ii) disputes resolved through mediation; and

(iii) disputes involving third-party rights, including compensation for loss of life, bodily injury, or environmental damage.

CHAPTER XI
SPECIAL PROVISIONS FOR REGULATION OF MINERAL OIL OPERATIONS IN AREAS AWARDED ON NOMINATION BASIS TO NATIONAL OIL COMPANIES

52. Application. — The provisions of this chapter shall apply only to licenses and petroleum leases granted by the Central Government to national oil companies by way of nomination, without following a bidding process and shall be applicable in addition to the other provisions of these rules.

53. Discovery.— (1) The national oil companies operating in areas awarded on nomination basis, shall notify all existing discoveries to the Central Government within thirty days from the commencement of these rules.

(2) The national oil companies shall submit a field development plan in respect of each existing discovery, clearly delineating the area proposed to be treated as development area within a period of one year from the commencement of these rules.

(3) If, within two years from the date of commencement of these rules, a discovery is made, the national oil company shall notify the Central Government within seven days from the establishment of the discovery and shall submit a field development plan in respect of the discovery, clearly delineating the area proposed to be treated as development area within a period of six months from the date of establishment of the discovery.

54. Field Development Plan. — (1) The Central Government shall within ninety days of the receipt of the field development plan convey the decision to approve or disapprove the area that may be retained as development area.

(2) The development area once approved by the Central Government shall not be modified in any manner without the prior approval of the Central Government.

(3) The national oil companies may modify the field development plan:

Provided that any change in the development area shall be made with the approval of the Central Government.

(4) In case, the Central Government does not approve the development area demarcated in the field development plan, the national oil company may submit a revised field development plan in consultation with the Central Government within a period of six months from the date of receipt of the communication disapproving the development area demarcated by the national oil company.

(5) On the expiry of the period of ninety days from the receipt of the field development plan, if no decision of the Central Government is conveyed to the national oil company, the development area shall be deemed to have been approved.

55. Monitoring of development and production operations. — (1) The national oil companies shall submit an annual statement of the development and production operations carried out in accordance with the field development plan within ninety days of the end of the financial year.

(2) The national oil companies shall submit requisite data sought by the Central Government regarding the mineral oil operations conducted by it.

56. Relinquishment of leased area. — On the expiry of two years from the commencement of these rules, the entire area held by the national oil companies on nomination basis shall stand relinquished, except:

(i) any area where the discovery has been made under sub-rule 3 of rule 53;

(ii) any development area approved by the Central Government; and

(iii) any areas where production operations are being carried out by the national oil companies.

57. Site restoration. — The national oil companies shall carry out site restoration in such areas in accordance with guidelines, schemes and policies of the Central Government as issued from time to time and maintain a site restoration fund in accordance with procedure specified in the Site Restoration Scheme, 1999.

CHAPTER XII

MISCELLANEOUS

58. Extension of rights under existing contracts or mining leases for all mineral oils.— The rights granted under all contracts or mining leases executed prior to commencement of these rules shall be deemed to have been granted in respect of all mineral oils from the date of the commencement of these rules.

59. Existing leases and pending applications.— (1) The holder of a mining lease granted prior to commencement of these rules shall, until the expiry of the mining lease, have the option to apply for a petroleum lease under the provisions of rule 5.

(2) Where a lessee opts to apply for a petroleum lease under sub-rule (1), the lessee shall ensure that any contract entered into between the lessee and the Central Government is amended prior to filing of the application for grant of petroleum lease in order to incorporate any changes consequential to exercise of such option, as deemed necessary by the Central Government.

(3) Where an application for issuance of a mining lease or extension thereof is pending consideration on the date of the commencement of these rules, the applicant shall re-apply for a petroleum lease under these rules and shall be exempted from making payment of the application fee, security deposit and a deposit for meeting preliminary expenses:

Provided that where a contract has been executed with the Central Government and the amendment of the contract is necessary, the applicant shall enter into an amended contract with the Central Government prior to filing of the application for grant of petroleum lease.

60. Application for petroleum leases to be filed upon expiry of existing mining lease.— If the term of a mining lease expires after commencement of these rules, the lessee shall apply for a petroleum lease under these rules.

Provided that where a contract has been executed with the Central Government and the amendment of the contract is necessary, the applicant shall enter into an amended contract with the Central Government prior to filing of the application for grant of petroleum lease.

61. Amendment of lease upon extension of leased area.— (1) Where the holder of a mining lease seeks to extend the area allocated under the mining lease, the lessee shall file an application for grant of extension of the leased area before the Central Government or the State Government, as the case may be.

(2) In case the application is approved, the mining lease shall be amended to incorporate the change in the area.

(3) All other terms and conditions of the mining lease shall remain unaltered for the remaining term of the mining lease.

62. Special petroleum lease for specific petroleum operations.— (1) Special petroleum leases may be granted by the Central Government or the State Government with the prior approval of the Central Government, to permit an applicant to perform certain specific petroleum operations in the area demarcated therein, including but not limited to the following, namely:—

(i) conducting exploration operations in an area solely for the purposes of determining the extent of reservoir boundaries as per rules 12 or 13; and

(ii) conducting exploration operations solely for the purposes of collection of data.

(2) An application for a special petroleum lease shall be submitted in the form specified in Schedule- VIII, —

(i) where the area falls within the territory of the Central Government, to the Central Government; and

(ii) where the area falls within the territory of the State Government, to the State Government along with a copy of the prior approval of the Central Government.

(3) The applicant shall submit a security deposit of rupees two lakh to the State Government where the area falls within the territory of the State Government and in other cases, to the Central Government.

(4) The security deposit shall be refunded, if the application is rejected or at the expiry of the special petroleum lease.

(5) The application shall be decided by the Central Government or the State Government, as the case may be, within one hundred and eighty days of receipt of application with complete information and security deposit from the applicant.

(6) If the decision is to reject the application, the same shall be communicated with reasons to be recorded in writing and the security deposit shall be refunded to the applicant.

(7) On the expiry of a period of one hundred and eighty days, if the application has not been decided by the Central Government or the State Government, as the case may be, an application filed in respect of an area falling within the territory of the, —

(i) Central Government, shall be deemed to have been approved by the Central Government and the Central Government shall promptly execute the deed of special petroleum lease with the applicant; and

(ii) State Government, shall be deemed to have been rejected by the State Government.

(8) The area of the lease shall be specified in the special petroleum lease granted by the Central Government or the State Government, as the case may be.

(9) The term of the special petroleum lease shall be specified therein and shall not exceed four years.

(10) The Central Government or the State Government with the prior approval of the Central Government, may, if deemed necessary extend the term of the special petroleum lease.

(11) The rights and the obligations of the lessee shall be specified in the special petroleum lease granted by the Central Government or the State Government, as the case may be.

(12) The lessee of a special petroleum lease shall pay an annual rent in advance, computed at the rate of Rs. 100 per square kilometer for the entire area leased.

(13) The special petroleum lease shall be entered into between the applicant and the Central Government or the State Government, as the case may be, within ninety days from the approval of the application.

(14) For the purposes of calculation of any stamp duty payable on the special petroleum lease, the value of the lease shall be the total lease rent payable under the special petroleum lease.

(15) Upon execution of the special petroleum lease, the terms contained therein shall be final and binding on all parties and shall not be altered, amended or modified thereafter, except by mutual consent of the parties.

63. Power to extend time limits. — The Central Government may, if it deems necessary and expedient in public interest, extend the time limit specified in these rules.

64. **Modification of terms of petroleum lease.—** The Central Government or the State Government with the prior approval of the Central Government, may, at any time prior to the execution of the petroleum lease under sub-rule (3) of rule 6 or extension of the term under rule 10 or area of any petroleum lease under rule 12, incorporate additional terms to address concerns relating to the leased area, health and safety, protection of the environment, national security or public interest.

65. Penalties for contraventions of rules.— (1) Whoever fails to comply with or contravenes any of the provisions of these rules or any direction or order issued by the competent authority under these rules, shall be liable to pay penalty in accordance with Section 9 of the Act.

(2) Whoever furnishes any information, document, return or report under these rules which is false, misleading or materially incorrect or knowingly withholds any information, document, return or report required to be submitted under these rules shall be deemed to have contravened the provisions of these rules and shall be liable to pay penalty in accordance with Section 9 of the Act.

(3) Whoever, having already been penalised under this rule, continues to contravene the provisions of the Act or these rules, shall be liable to pay a further penalty in accordance with sub-section (3) of section 9 of the Act.

Schedule – I
(Application for grant of Petroleum lease)
[*See* rule 5 (1)]

1. General Information:

Sl. No.	Description	Details	
(i)	(a) Details of contract executed between Government and applicant (if applicable)		
	(b) Applicant Name		
	(c) Address		
	(d) Place of incorporation		
(ii)	Name of Petroleum Lease (if applicable)		
(iii)	Name of State (if applicable for onland)		
(iv)	Name of Basin or Asset (if applicable)		
(v)	Regime		
(vi)	Type of Company (s) (Public or private)		
(vii)	Detail(s) of Petroleum Exploration License or Petroleum Mining Lease from which area applied for conversion to Petroleum Lease (if applicable)		
(viii)	Area of the lease applied		
(ix)	Duration applied for Grant	From _____ to_____	
(x)	Statutory Fees Paid	Amount	Date of payment
	(a) Application Fee (if applicable)		
	(a) Preliminary Expenses		
	(b) Security Deposit		

2. Proposed petroleum lease area details:

(i) Co-ordinates of the applied area:
(a) Projection system (in World Geodetic System 1984).

Projection System	Spheroid	Zone

(b) Co-ordinates of the lease:

Points	X	Y	Longitude			Latitude		
			Degrees	Minutes	Seconds	Degrees	Minutes	Seconds

(c) Map of the petroleum lease applied:

(d) Whether the proposed area or part thereof falls within any reserve forest. If so, mention the area in sq.km that falls within reserve forest along with the name of reserve forest :

(e) In case of village, the name of the village & area covered:

(f) Lists of Districts:

(g) Details of existing/envisaged infrastructure:

(h) Justification for Petroleum Lease grant:

Schedule – II

(Petroleum Lease)

[*See* rule 6 (2)]

FORMAT OF ONSHORE PETROLEUM LEASE

This deed of petroleum lease ("**Lease**") is made on this [*insert day*] day of [*insert month*] [*insert year*] by and between:

PARTIES:

The Governor of _____, acting through the _____ (hereinafter referred to as the "**State Government**"), of the FIRST PART;

AND

[*Insert name of the Company*], a company incorporated under the laws of _____, (hereinafter referred to as "_____") having its registered office at _____, which expression shall include its successors and permitted transferees and assigns, of the SECOND PART;

AND

[*Insert name of the Company*], a company incorporated under the laws of _____, (hereinafter referred to as "_____") having its registered office at _____, which expression shall include its successors and permitted transferees and assigns, of the THIRD PART;

[ADD party clause for each relevant party who is to be the lessee]

Parties of the Second and the Third Part are collectively hereinafter referred to as the "Lessee"). The Government and the Lessee shall hereinafter individually be referred to as the "Party" and collectively as the "Parties", unless repugnant to the context.

WHEREAS:

A. The Lessee **[(*ADD if there is a contract for mineral oil operations between Lessee and the Government)*** in pursuance of the ____contract dated _____ (hereinafter referred to as the "Contract") and**]** in accordance with the Oilfields (Regulation and Development) Act, 1948, (hereinafter referred to as the "**Act**"), and the Petroleum and Natural Gas Rules, 2025 , (hereinafter referred to as the "**Rules**"), has applied for a petroleum lease over the area as more fully described in the **Appendix-A** ("**Leased Area**"), in accordance with rule 5 of the Rules.

B. The Lessee has prior to the date of this Lease, submitted to the State Government, a security deposit of INR 25,00,000 (Indian Rupees Twenty-Five Lakhs), in accordance with rule 5 of the Rules.

Accordingly, the present deed is being executed for grant of a Lease over the Leased Area to the Lessee in consideration of the rent, covenants and agreements hereinafter reserved and contained on the part of the Lessee to be paid, observed and performed, and in furtherance of the execution and performance of the Contract

NOW THEREFORE IT IS HEREBY AGREED AMONG THE PARTIES AND THIS LEASE DEED WITNESSETH AS UNDER:

1. **DEFINITIONS AND INTERPRETATION.—**

1.1 Unless defined otherwise, the expressions used in this Lease shall have the same meaning as assigned to them under the Act and the Rules.

1.2 All references in this Lease to statutory provisions shall be construed as meaning and including references to:—

1.2.1 any statutory modification, consolidation or re-enactment (whether before or after the date of this Lease) for the time being in force; and

1.2.2 all statutory instruments or orders made pursuant to a statutory provision.

2. **GRANT OF LEASE.—**

2.1 The State Government hereby grants the Lease to the Lessee over the Leased Area for conducting mineral oil operations for a period of [*insert no. of years*] years, unless terminated or cancelled earlier in accordance with the Act and the Rules made thereunder or the Contract ("**Term**").

2.2 Subject to the Act and the Rules and the terms of the Contract executed between the Central Government and the Lessee, the Lessee shall have:—

2.2.1 the exclusive right to explore mineral oils in the Leased Area, including but not limited to, conducting geological and geophysical surveys, drilling of wells, testing operations for mineral oils;

2.2.2 the exclusive right to develop and produce mineral oils in the Leased Area along with the right to construct and maintain in and on the Leased Area such works, buildings, plants, platforms, waterways, roads, pipelines, dams, reservoirs, tanks, pumping stations, tram ways, railways, communication cables, electric power lines and other structures and equipment and other facilities as may be necessary for the purposes of the Lease or for fulfilling its obligation under the Lease;

2.2.3 the rights and obligations to carry out site restoration, abandonment, and decommissioning of oil wells, installations, and associated facilities;

2.2.4 the right to explore, plan, develop and establish comprehensive energy projects in the Leased Area and produce energy therefrom subject to necessary approvals under applicable law;

2.2.5 the right to use the Leased Area for decarbonisation activities;

in accordance with the Act, the rules, the Contract, and the policies, notifications and directions given by the Government of India.

2.3 The Lessee shall separately obtain a surface lease for the surface area of the land actually used by it for the purpose of carrying out mineral oil operations or comprehensive energy projects, in accordance with applicable law.

2.4 The Lessee shall pay the lease rent as under and comply with all the covenants and agreements contained herein.

[Insert rent table as provided in rule 9 at the time lease is entered into]

Amount (in Rupees) per square kilometer of leased area	Year
___	__

2.5 This Lease shall become effective on the date of receipt of the payment of the lease rent for the first year of this Lease, and the Lessee shall continue to make payment of lease rent in accordance with the Act and the Rules.

2.6 The Lessee shall at all times comply with the provisions of the Act, the Rules, and the policies, notifications and directions issued by the Central Government made under the Act and the Rules and any other applicable law for the time being in force.

2.7 Subject to rule 18 of the Rules, the security deposit furnished by the Lessee may be forfeited upon a breach of the terms and conditions of the Lease, the Act, and the Rules, and in the event of forfeiture, the Lessee shall replenish the forfeited amount in full within thirty days from the date of such forfeiture.

3. STABILISATION.—

3.1 In the event of a Change in Law resulting in reduction of economic benefit accruing to the lessee, the lessee shall be entitled to be restored, as nearly as possible, to the economic equilibrium which existed immediately prior to the date of the Change in Law in the manner contained herein.

3.2 Upon the occurrence of such a Change in Law, the lessee shall no later than ninety days from the date of occurrence of the Change in Law, inform the Central Government and the State Government of the Change in Law and the estimated reduction of economic benefit on account of such Change in Law and shall submit supporting documents evidencing the reduction in economic benefit along with the notice.

3.3 The lessee shall promptly provide any additional information or documents concerning the same as may be required by the Central Government and the State Government and the lessee shall provide the same within a period of sixty days.

3.4 Upon receipt of a notice as per clause 3.2 of this Lease, the Parties shall use their best efforts to amicably arrive at mutually acceptable solution within 1 (one) year from the date of occurrence of the Change in Law. To this end, the Parties may agree upon modifications to be made to this Lease or adoption of other reasonable measures to restore the Lessee, as nearly as possible, to the economic equilibrium which existed immediately prior to the date of the Change in Law.

3.5 If the Parties are unable to resolve the matter amicably, the Lessee, on or after the expiry of the period prescribed under clause 3.4, may commence provisional adjustment of such sums as it reasonably believes are necessary to restore it to the same financial position in the manner provided herein.

3.5.1 The deduction may, in the first instance, be made from any dues payable by the lessee under the contract, lease, the Act or these rules, to—

(i) the Central Government, where the change in law is made by Parliament; and

(ii) the State Government, where the change in law is made by the legislature of that State:

3.5.2 The lessee, after giving prior notice of not less than thirty days to both the Central Government and the State Government, may adjust any balance amount remaining after such deduction against the dues payable to—

(i) the State Government, where the change in law is made by Parliament; and

(ii) the Central Government, where the change in law is made by the legislature of the State.

3.5.3 The Lessee shall notify the Central Government or the State Government, as the case may be, of each such deduction made by it specifying the amount deducted and provide all other relevant and necessary information relating to the deduction to the State Government with a copy to the Central Government.

3.5.4 Any such deduction made by the Lessee shall be without prejudice to the rights of the Central Government and the State Government to dispute, differ or disagree with the Lessee's claim of existence of such Change in Law, the validity and quantum of any deductions made by the Lessee in respect thereof. Pending determination of the dispute raised by the Central Government or the State Government, the deduction made by the Lessee shall operate only as an interim measure.

3.5.5 Any dispute raised by the Central Government or State Government under clause 3.5.4 of this Lease, shall be resolved in accordance with the provisions of clause 6.4 of this Lease.

3.6 "**Change in Law**" shall mean a change in the following, namely: —

(i) the taxes, duties, levy, cess, fees, royalties, charges, impositions under the laws applicable in India payable by the lessee after the date of this petroleum lease resulting in reduction of economic benefit to the lessee, and

(ii) any laws for the time being in force in India governing labour and employment, protection of the environment, health or safety, or site

restoration and decommissioning, resulting in reduction of economic benefit to the lessee of more than USD 5,000,000 (United States Dollars Five Million) in any financial year after the date of this petroleum lease,

whether such change arises on account of a change in rates, change in the laws applicable in India or change in interpretation by judgement of a court which has become final, conclusive and binding, as compared to such interpretation or application prior to the date of this petroleum lease:

Provided that any notification made by the Central Government prescribing the rates for royalties for any Mineral Oil other than Crude Oil, Natural Gas and Condensate for the first time after the Execution Date, shall not be treated as a Change in Law.

4. COMPENSATION.—

4.1 The State Government shall not nationalize or otherwise take away the rights, interests or assets of the Lessee relating to this Lease, except in compliance with the due process of law of India, for reasons of public purpose and payment of appropriate compensation:

Provided that no compensation shall be paid unless the Lessee has made a discovery and has submitted the notice of Discovery to the Central Government in respect of any area comprised under this Lease prior to the date of occurrence of the event set out in clause 4.1 of this Lease.

4.2 Upon occurrence of the events set out in clause 4.1 of this Lease, the Lessee shall be paid an adequate amount as compensation which shall be equal to the fair market value of the rights, interests (including those relating to undeveloped reserves) or assets nationalized or otherwise taken away by the State Government, as on the date immediately preceding the date of occurrence of such event. Valuation criteria shall include going concern value, asset value including declared tax value of tangible property, and other criteria, as appropriate, to determine fair market value.

4.3 The eligibility and quantum of the appropriate compensation under this clause shall be determined by the State Government on a case-by-case, fact-based inquiry, taking into account all relevant circumstances.

4.4 In the first instance, the Parties shall endeavor to agree upon an appropriate compensation within 180 (one hundred and eighty) Days of a Party's notice to the other Party inviting discussion of the appropriate compensation. If no agreement is concluded, the matter may be referred to dispute resolution under clause 6.4 of this Lease.

5. CANCELLATION OF LEASE.—

5.1 The cancellation of this Lease shall be in accordance with rule 18 of the Rules.

5.2 Notwithstanding anything contained in the foregoing, this Lease shall terminate upon the termination of the Contract.

6. MISCELLANEOUS.—

6.1 Transfer or Assignment of Lease—

Any transfer or assignment of the Lease shall be undertaken in accordance with rule 20 of the Rules. In the event of such transfer or assignment, the Lease shall be amended in the name of the transferee or the assignee, severally or jointly to the extent of the transfer or the assignment, with effect from the date from which such transfer or assignment is made effective.

6.2 Notices—

6.2.1 All notices or other communications to be given under this Lease shall be made in writing by letter or email at the respective addresses of the Parties set out below, or the other addresses as the Parties may notify to each other in writing from time to time.

6.2.2 The addresses of the Parties for the purposes of the Lease are:
[*insert for all parties*]

6.2.3 In all methods of constitution of the Lessee, delivery of any notice to the details set out herein shall be deemed to be valid notice to all constituents of the lessee.

6.3 Governing Law and Jurisdiction—

The laws of India shall apply to the Lease, and subject to the dispute resolution mechanism set out in the Lease, the courts of [*insert*] shall have exclusive jurisdiction over all matters pertaining to the present Lease.

6.4 Dispute Resolution—

6.4.1 In the event of any disputes, differences, disagreements, or claims arising out of or in connection with this Lease or the performance thereof, including any question regarding its existence, validity, cancellation or termination ("**Dispute(s)**"), the Parties shall at the first instance use their best efforts to achieve amicable resolution of such Disputes through good faith negotiations within 90 (ninety) Days from the date such dispute arises.

6.4.2 If the Dispute is not resolved amicably within the period specified above, the Parties may seek resolution of the Dispute either (a) through mediation or conciliation, by referring the dispute to the Committee of External Eminent Persons ("**CEEE**") or experts notified by the Government of India from time-to-time, or (b) through mediation, by engaging a mediator in accordance with the Mediation Act, 2023, as mutually agreed. Any mediated settlement reached and signed by the Parties shall be final and binding and enforceable in accordance with sub-section (2) of section 27 of the Mediation Act, 2023. Any costs associated with such mediation shall be borne equally between the Parties.

6.4.3 If the Dispute remains unresolved following mediation or conciliation for a period of more than 90 (ninety) Days or the parties choose not to opt for resolution of the Dispute through mediation and conciliation, as the case may be, any of the Parties to the dispute may refer the dispute to arbitration.

6.4.4 The governing law of this Lease and the arbitration agreement, including questions relating to its scope, validity, and interpretation shall be Indian law.

6.4.5 The arbitration shall be conducted by a tribunal of 3 (three) arbitrators—one appointed by each Party, and the third (presiding arbitrator) appointed in accordance with the rules of _____ [insert name of arbitral institution chosen by the parties].

OR

The arbitration shall be conducted by a tribunal of 3 (three) arbitrators—one appointed by each Party. The two arbitrators appointed by the parties shall appoint the third arbitrator (presiding arbitrator).

[*Applies if parties do not choose institutional arbitration*]

6.4.6 The language of arbitration shall be English.

6.4.7 The seat of arbitration shall be _____. [*Insert seat of arbitration as per Rule 51(2) of the Rules.*]

Provided that nothing under this Lease shall exclude the applicability of Sections 9, 27, clause (a) of sub section (1) and sub section (3) of Section 37 of the Arbitration and Conciliation Act, 1996 (26 of 1996).

Provided further that, in the event of a change of lessee, the lessee may apply to the Government for amendment of the seat of arbitration, subject to the requirements set out in Rule 51 (3) of the Rules.

6.4.8 Pending the resolution of any Dispute, the Parties shall, unless otherwise agreed or directed by the arbitral tribunal or a court of competent jurisdiction, continue to perform their respective obligations under this Lease to the extent practicable.

6.4.9 The costs of arbitration shall be allocated in accordance with the applicable institutional rules. The arbitral tribunal shall have the power to make orders on costs in its final award.

6.4.10 The award of the arbitral tribunal shall be final and binding on the Parties and may be enforced in accordance with the Arbitration and Conciliation Act, 1996.

6.4.11 Where multiple arbitrations arise under the Lease, the Contract executed by the Lessee and the Central Government or any related agreement, the Parties shall use their best efforts to consolidate such proceedings into a single arbitration. The arbitral tribunal shall have the power, with the consent of all relevant Parties, to consolidate proceedings or permit the joinder of additional Parties, provided that no such consolidation or joinder shall unduly delay the proceedings.

6.5 Continuation of obligations—

During the pendency of the resolution of any dispute, the Parties shall, unless otherwise agreed or directed by [the arbitral tribunal/ the competent court], continue to perform their respective obligations under the Lease to the extent practicable.

6.6 Mandatory intimation of dispute to Central Government where Lessor is the State Government—

In the event of any disputes, differences, disagreements, or claims arising out of or in connection with the Lease, the Parties herein shall upon commencement of legal proceedings intimate the **Central Government through the Ministry of Petroleum and Natural Gas** within 7 (seven) days of commencement. It is clarified that the obligation to intimate the Central Government shall independently arise at each stage of the dispute resolution mechanism.

6.7 Consolidation of proceedings in certain cases—

In the event of a subsisting dispute between the lessee and the Central Government under the Contract, the Parties shall, in case of overlap or similarity of subject matter, use their best efforts to refer any disputes, differences, disagreements, or claims arising out of the Lease to the arbitral tribunal constituted under the Contract.

6.8 Site Restoration—

Lessee shall carry out site restoration and maintain a site restoration fund in accordance with the provisions of the Rules and the guidelines, schemes and policies issued by the Central Government.

6.9 Alteration—

No **amendment, modification, or waiver** of any provision of the Lease shall be valid or binding unless made in **writing** and **signed by the Parties** to the Lease.

IN WITNESS WHEREOF, this Lease has been executed at the [*name of place*] on [*date*]

For the Lessor	For the Lessee
[*Insert Name*]	[*Insert Names*]

APPENDIX-A

3. AREA OF THE LEASE: _____ sq kms

4. DESCRIPTION OF THE LEASED AREA_____ and MAP

FORMAT OF OFFSHORE PETROLEUM LEASE

This deed of petroleum lease ("**Lease**") is made on this [*insert day*] day of [*insert month*] [*insert year*] by and between:

PARTIES:

The President of India _____, acting through the _____ (hereinafter referred to as the "**Government**"), of the FIRST PART;

AND

[*Insert name of the Company*], a company incorporated under the laws of _____, (hereinafter referred to as "_____") having its registered office at _____, which expression shall include its successors and permitted transferees and assigns, of the SECOND PART;

AND

[*Insert name of the Company*], a company incorporated under the laws of _____, (hereinafter referred to as "_____") having its registered office at _____, which expression shall include its successors and permitted transferees and assigns, of the THIRD PART;

[ADD party clause for each relevant party who is to be the lessee]

Parties of the Second and the Third Part are collectively hereinafter referred to as the "Lessee"). The Government and the Lessee shall hereinafter individually be referred to as the "Party" and collectively as the "Parties", unless repugnant to the context.

WHEREAS:

A. The Lessee **[(*ADD if there is a contract for mineral oil operations between Lessee and the Government)*** in pursuance of the ____contract dated _____ (hereinafter referred to as the "Contract") and**]** in accordance with the Oilfields (Regulation and Development) Act, 1948, (hereinafter referred to as the "**Act**"), and the Petroleum and Natural Gas Rules, 2025 , (hereinafter referred to as the "**Rules**"), has applied for a petroleum lease over the area as more fully described in the **Appendix-A** ("**Leased Area**"), in accordance with rule 5 of the Rules.

B. The Lessee has prior to the date of this Lease, submitted to the Government, a security deposit of INR 25,00,000 (Indian Rupees Twenty-Five Lakhs), in accordance with rule 5 of the Rules.

Accordingly, the present deed is being executed for grant of a Lease over the Leased Area to the Lessee in consideration of the rent, covenants and agreements hereinafter reserved and contained on the part of the Lessee to be paid, observed and performed, and in furtherance of the execution and performance of the Contract

NOW THEREFORE IT IS HEREBY AGREED AMONG THE PARTIES AND THIS LEASE DEED WITNESSETH AS UNDER:

1. DEFINITIONS AND INTERPRETATION.—

1.1 Unless defined otherwise, the expressions used in this Lease shall have the same meaning as assigned to them under the Act and the Rules.

1.2 All references in this Lease to statutory provisions shall be construed as meaning and including references to:—

1.2.1 any statutory modification, consolidation or re-enactment (whether before or after the date of this Lease) for the time being in force; and

1.2.2 all statutory instruments or orders made pursuant to a statutory provision.

2. GRANT OF LEASE.—

2.1 The Government hereby grants the Lease to the Lessee over the Leased Area for conducting mineral oil operations for a period of ___[*insert no. of years*] years, unless terminated or cancelled earlier in accordance with the Act and the Rules made thereunder or the Contract ("**Term**").

2.2 Subject to the Act and the Rules and the terms of the Contract executed between the Government and the Lessee, the Lessee shall have:—

2.2.1 the exclusive right to explore mineral oils in the Leased Area, including but not limited to, conducting geological and geophysical surveys, drilling of wells, testing operations for mineral oils;

2.2.2 the exclusive right to develop and produce mineral oils in the Leased Area along with the right to construct and maintain in and on the Leased Area such works, buildings, plants, platforms, waterways, roads, pipelines, dams, reservoirs, tanks, pumping stations, tram ways, railways, communication cables, electric power lines and other structures and equipment and other facilities as may be necessary for the purposes of the Lease or for fulfilling its obligation under the Lease;

2.2.3 the rights and obligations to carry out site restoration, abandonment, and decommissioning of oil wells, installations, and associated facilities;

2.2.4 the right to explore, plan, develop and establish comprehensive energy projects in the Leased Area and produce energy therefrom subject to necessary approvals under applicable law;

2.2.5 the right to use the Leased Area for decarbonisation activities;

in accordance with the Act, the Rules, the Contract, and the policies, notifications and directions given by the Government of India.

2.3 The Lessee shall separately obtain a surface lease for the surface area of the land actually used by it for the purpose of carrying out mineral oil operations or comprehensive energy projects, in accordance with applicable law.

2.4 The Lessee shall pay the lease rent as under and comply with all the covenants and agreements contained herein.

[Insert rent table as provided in rule 9 at the time lease is entered into]

Amount (in Rupees) per square kilometer of leased area	Year
___	__

2.5 This Lease shall become effective on the date of receipt of the payment of the lease rent for the first year of this Lease, and the Lessee shall continue to make payment of lease rent in accordance with the Act and the Rules.

2.6 The Lessee shall at all times comply with the provisions of the Act, the Rules, and the policies, notifications and directions issued by the Government made under the Act and the Rules and any other applicable law for the time being in force.

2.7 Subject to rule 18 of the Rules, the security deposit furnished by the Lessee may be forfeited upon a breach of the terms and conditions of the Lease, the Act, and the Rules, and in the event of forfeiture, the Lessee shall replenish the forfeited amount in full within thirty days from the date of such forfeiture.

3. STABILISATION.—

3.1 In the event of a Change in Law resulting in reduction of economic benefit accruing to the lessee, the lessee shall be entitled to be restored, as nearly as possible, to the economic equilibrium which existed immediately prior to the date of the Change in Law in the manner contained herein.

3.2 Upon the occurrence of such a Change in Law, the lessee shall no later than ninety days from the date of occurrence of the Change in Law, inform the Central Government and the State Government of the Change in Law and the estimated reduction of economic benefit on account of such Change in Law and shall submit supporting documents evidencing the reduction in economic benefit along with the notice.

3.3 The lessee shall promptly provide any additional information or documents concerning the same as may be required by the Central Government and the State Government and the lessee shall provide the same within a period of sixty days.

3.4 Upon receipt of a notice as per clause 3.2 of this Lease, the Parties shall use their best efforts to amicably arrive at mutually acceptable solution within 1 (one) year from the date of occurrence of the Change in Law. To this end, the Parties may agree upon modifications to be made to this Lease or adoption of other reasonable measures to restore the Lessee, as nearly as possible, to the economic equilibrium which existed immediately prior to the date of the Change in Law.

3.5 If the Parties are unable to resolve the matter amicably, the Lessee, on or after the expiry of the period prescribed under clause 3.4, may commence provisional adjustment of such sums as it reasonably believes are necessary to restore it to the same financial position in the manner provided herein.-

3.5.1 The deduction may, in the first instance, be made from any dues payable by the lessee under the contract, lease, the Act or these rules, to—

(i) the Central Government, where the change in law is made by Parliament; and

(ii) the State Government, where the change in law is made by the legislature of that State:

3.5.2 The lessee, after giving prior notice of not less than thirty days to both the Central Government and the State Government, may adjust any balance amount remaining after such deduction against the dues payable to—

(i) the State Government, where the change in law is made by Parliament; and

(ii) the Central Government, where the change in law is made by the legislature of the State.

3.5.3 The Lessee shall notify the Central Government or the State Government, as the case may be, of each such deduction made by it specifying the amount deducted and provide all other relevant and necessary information relating to the deduction to the State Government with a copy to the Central Government.

3.5.4 Any such deduction made by the Lessee shall be without prejudice to the rights of the Central Government and the State Government to dispute, differ or disagree with the Lessee's claim of existence of such Change in Law, the validity and quantum of any deductions made by the Lessee in respect thereof. Pending determination of the dispute raised by the Central Government or the State Government, the deduction made by the Lessee shall operate only as an interim measure.

3.5.5 Any dispute raised by the Central Government or State Government under clause 3.5.4 of this Lease, shall be resolved in accordance with the provisions of clause 6.4 of this Lease.

3.6 "**Change in Law**" shall mean a change in the following, namely:—

i. the taxes, duties, levy, cess, fees, royalties, charges, impositions under the laws applicable in India payable by the lessee after the date of this petroleum lease resulting in reduction of economic benefit to the lessee, and

ii. any laws for the time being in force in India governing labour and employment, protection of the environment, health or safety, or site restoration and decommissioning, resulting in reduction of economic benefit to the lessee of more than USD 5,000,000 (United States Dollars Five Million) in any financial year after the date of this petroleum lease,

whether such change arises on account of a change in rates, change in the laws applicable in India or change in interpretation by judgement of a court which has become final, conclusive and binding, as compared to such interpretation or application prior to the date of this petroleum lease:

Provided that any notification made by the Central Government prescribing the rates for royalties for any Mineral Oil other than Crude Oil, Natural Gas and Condensate for the first time after the Execution Date, shall not be treated as a Change in Law.

4. COMPENSATION.—

4.1 The Government shall not nationalize or otherwise take away the rights, interests or assets of the Lessee relating to this Lease, except in compliance with the due process of law of India, for reasons of public purpose and payment of appropriate compensation.

Provided that no compensation shall be paid unless the Lessee has made a discovery and has submitted the notice of Discovery to the Government in respect of any area comprised under this Lease prior to the date of occurrence of the event set out in this clause of the Lease.

4.2 Upon occurrence of the events set out in clause 4.1 of this Lease, the Lessee shall be paid an adequate amount as compensation which shall be equal to the fair market value of the rights, interests (including those relating to undeveloped reserves) or assets nationalized or otherwise taken away by the Government, as on the date immediately preceding the date of occurrence of such event. Valuation criteria shall include going concern value, asset value including declared tax value of tangible property, and other criteria, as appropriate, to determine fair market value.

4.3 The eligibility and quantum of the appropriate compensation under this clause shall be determined by the Government on a case-by-case, fact-based inquiry, taking into account all relevant circumstances.

4.4 In the first instance, the Parties shall endeavor to agree upon an appropriate compensation within 180 (one hundred and eighty) Days of a Party's notice to the other Party inviting discussion of the appropriate compensation. If no agreement is concluded, the matter may be referred to dispute resolution under clause 6.4 of this Lease.

5. CANCELLATION OF LEASE.—

5.1 The cancellation of this Lease shall be in accordance with rule 18 of the Rules.

5.2 Notwithstanding anything contained in the foregoing, this Lease shall terminate upon the termination of the Contract.

6. MISCELLANEOUS.—

6.1 Transfer or Assignment of Lease—

Any transfer or assignment of the Lease shall be undertaken in accordance with rule 20 of the Rules. In the event of such transfer or assignment, the

Lease shall be amended in the name of the transferee or the assignee, severally or jointly to the extent of the transfer or the assignment, with effect from the date from which such transfer or assignment is made effective.

6.2 Notices—

6.2.1 All notices or other communications to be given under this Lease shall be made in writing by letter or email at the respective addresses of the Parties set out below, or the other addresses as the Parties may notify to each other in writing from time to time.

6.2.2 The addresses of the Parties for the purposes of the Lease are:

[*insert for all parties*]

6.2.3 In all methods of constitution of the lessee, delivery of any notice to the details set out herein shall be deemed to be valid notice to all constituents of the lessee.

6.3 Governing Law and Jurisdiction—

The laws of India shall apply to the Lease, and subject to the dispute resolution mechanism set out in the Lease, the courts of Delhi shall have exclusive jurisdiction over all matters pertaining to the present Lease.

6.4 Dispute Resolution—

6.4.1 In the event of any disputes, differences, disagreements, or claims arising out of or in connection with this Lease or the performance thereof, including any question regarding its existence, validity, cancellation or termination ("**Dispute(s)**"), the Parties shall at the first instance use their best efforts to achieve amicable resolution of such Disputes through good faith negotiations within 90 (ninety) Days from the date such dispute arises.

6.4.2 If the Dispute is not resolved amicably within the period specified above, the Parties may seek resolution of the Dispute either (a) through mediation or conciliation, by referring the dispute to the Committee of External Eminent Persons ("**CEEE**") or experts notified by the Government of India from time-to-time, or (b) through mediation, by engaging a mediator in accordance with the Mediation Act, 2023, as mutually agreed. Any mediated settlement reached and signed by the Parties shall be final and binding and enforceable in accordance with sub-section (2) of section 27 of the Mediation Act, 2023. Any costs associated with such mediation shall be borne equally between the Parties.

6.4.3 If the Dispute remains unresolved following mediation or conciliation for a period of more than 90 (ninety) Days or the parties choose not to opt for resolution of the Dispute through mediation and conciliation, as

the case may be, any of the Parties to the dispute may refer the dispute to arbitration.

6.4.4 The governing law of this Lease and the arbitration agreement, including questions relating to its scope, validity, and interpretation shall be Indian law.

6.4.5 The arbitration shall be conducted by a tribunal of 3 (three) arbitrators—one appointed by each Party, and the third (presiding arbitrator) appointed in accordance with the rules of _____ [*insert name of arbitral institution chosen by the parties*].
OR

The arbitration shall be conducted by a tribunal of 3 (three) arbitrators—one appointed by each Party. The two arbitrators appointed by the parties shall appoint the third arbitrator (presiding arbitrator).

[*Applies if parties do not choose institutional arbitration*]

6.4.6 The language of arbitration shall be English.

6.4.7 The seat of arbitration shall be _____. [*Please specify seat of arbitration as per Rule 51(2) of the Rules.]*

Provided that nothing under this Lease shall exclude the applicability of Sections 9, 27, clause (a) of sub section (1) and sub section (3) of Section 37 of the Arbitration and Conciliation Act, 1996 (26 of 1996).
Provided further that, in the event of a change of lessee, the lessee may apply to the Government for amendment of the seat of arbitration, subject to the requirements set out in Rule 51 (3) of the Rules.

6.4.8 Pending the resolution of any Dispute, the Parties shall, unless otherwise agreed or directed by the arbitral tribunal or a court of competent jurisdiction, continue to perform their respective obligations under this Lease to the extent practicable.

6.4.9 The costs of arbitration shall be allocated in accordance with the applicable institutional rules. The arbitral tribunal shall have the power to make orders on costs in its final award.

6.4.10 The award of the arbitral tribunal shall be final and binding on the Parties and may be enforced in accordance with the Arbitration and Conciliation Act, 1996.

6.4.11 Where multiple arbitrations arise under the Lease, the Contract executed by the Lessee and the Government or any related agreement, the Parties shall use their best efforts to consolidate such proceedings into a single arbitration. The arbitral tribunal shall have the power, with the consent of all relevant Parties, to consolidate proceedings or permit the joinder

of additional Parties, provided that no such consolidation or joinder shall unduly delay the proceedings.

6.5 Continuation of obligations—

During the pendency of the resolution of any dispute, the Parties shall, unless otherwise agreed or directed by [the arbitral tribunal/ the competent court], continue to perform their respective obligations under the Lease to the extent practicable.

6.6 Consolidation of proceedings in certain cases—

In the event of a subsisting dispute between the lessee and the Government under the Contract, the Parties shall, in case of overlap or similarity of subject matter, agree to refer any disputes, differences, disagreements, or claims arising out of the Lease to the arbitral tribunal constituted under the Contract.

6.7 Site Restoration—

Lessee shall carry out site restoration and maintain a site restoration fund in accordance with the provisions of the Rules and the guidelines, schemes and policies issued by the Government.

6.8 Alteration—

No **amendment, modification, or waiver** of any provision of the Lease shall be valid or binding unless made in **writing** and **signed by the Parties** to the Lease.

IN WITNESS WHEREOF, this Lease has been executed at the [*name of place*] on [*date*]

For the Lessor For the Lessee

[*Insert Name*] [*Insert Names*]

APPENDIX-A

1. AREA OF THE LEASE: _____ sq kms

2. DESCRIPTION OF THE LEASED AREA_____ and MAP

Schedule – III

(Application for Extension of Term of Petroleum Lease)

[*See* rule 10 (3)]

1. General Information:

Sl. No.	Description	Details
(i)	(a) Covering Letter No. & Date for Extension request addressed to MoPNG and DGH and if applicable, details of contract executed between Government and applicant	
	(b) Applicant Name	
	(c) Qualification	
	(d) Address	

	(e) Nationality		
(ii)	Details of Petroleum Lease		
(iii)	Name of State (applicable for onland)		
(iv)	Name of Basin / Asset (if applicable)		
(v)	Regime		
(vi)	Type of Company (Public/private)		
(vii)	Details of the Petroleum Exploration License from which area applied for conversion to Petroleum Lease (if applicable)		
(viii)	Area of the lease applied		
(ix)	Existing area		
(x)	Field(s)/Structure in Lease area (if applicable)		
(xi)	Effective Date for existing Lease		
(xii)	Duration applied for Extension	From _____To _____	
(xiii)	Production Commencement Date		
(xv)	Statutory Fees Paid	Amount	Date of payment
	Application Fee		
	Preliminary Expenses		
	Security Deposit		
	Relinquishment (if any) sq.km.		

2. Proposed Petroleum Lease Area Details:

(i) Co-ordinates of the Applied Area:

(a) Projection System (in WGS-84).

Projection System	Spheroid	Zone

(b) Co-ordinates of existing lease:

Points	X	Y	Longitude			Latitude		
			Degree	*Minute*	*Second*	*Degree*	*Minute*	*Second*

(c) Map of the petroleum lease applied:

Whether the proposed area or part thereof falls within any reserve forest. If so, mention the area in sq.km that falls within Reserve Forest along with the name of Reserve Forest:

(d) In case of village, the name of the village & area covered:

(e) Lists of Districts:

(f) Status of applicable statutory clearances:

3. List of Maps/figures:

Map/ Fig No	Description	
1	Gas/Oil isopay map	
2	Seismic Attribute map	
3	Seismic cross section	
4.	Net pay map	
5	1P / 2P / 3P polygon with well location	
6	Well log correlation	
7	Shape file of block boundary	
8	Structure contour / depth contour map	
9	Representative log sections marking interesting zones	
10	Any other maps/figures	

Note: Maps/figures as applicable may be attached as annexures

4. Details of existing/envisaged infrastructure:

5. Justification for Petroleum Lease extension:

6. Field Development Plan proposed (if applicable):

7.Work Programme Proposed for the lease area (if applicable):

8. Projected investment:

Signature of Authorised Representative of Lessee

Schedule – IV
(Extension of Term of Petroleum Lease)
[*See* rule 10 (8) & (9)]

To:
[Name of the Lessee]
[Registered Address of the Lessee]

Subject: Approval of application for extension of term of Petroleum Lease for [*Description of Leased Area/Block/Field*]

Sir/Madam,

I am directed to refer to your application dated [___], submitted pursuant to Rule [___] of the Petroleum and Natural Gas Rules, 2025 (hereinafter referred to as "the Rules"), seeking extension of the term of the Petroleum Lease deed dated [___], originally granted on[___], for [*Location/Description*].

Upon review of your application, supporting documents, and in accordance with the Rules, the [Central Government/State Government with prior approval of the Central Government], hereby approves the application for extension of the term of Petroleum Lease deed dated [____] over the Leased Area admeasuring _____, as described in Appendix-A, for a further period of [____] years, commencing from [Effective Date of Extension] and continuing up to [End Date of Extension], subject to the terms and conditions below.

(a) **Continuity of terms**: All terms, conditions, covenants, and obligations in the original Lease Deed dated ____ shall, unless expressly modified herein, remain in full force and effect throughout the extended term of the petroleum lease.

(b) **Rent**: The Lessee shall pay rent at the rate applicable as per Rule 9 of the Rules, treating the original and extended term as a continuous period for rent escalation and other purposes. Accordingly, the rent is payable as under:

[Insert table of rent as applicable as per Rule 9]

(c) **Compliance**: The Lessee shall comply with all applicable laws in India.

(d) **Guarantees and security**: Where applicable, the Lessee shall replenish or renew any bank guarantees, security deposits, or insurance required under the original Lease Deed dated ____ for the extended term.

(e) **Reporting and monitoring**: The Lessee shall file regular progress reports, production data, and any other information as may be required by the Government of India/State Government during the extended term.

(f) **No Waiver**: This extension does not waive or prejudice any rights or remedies of the Government under the original lease or applicable law concerning any breach or default by the Lessee.

(g) **Cancellation**: Failure to observe any provisions of the lease or these conditions during the extended term may result in cancellation of the lease prior to expiry of the extended term, without prejudice to other rights of the Government.

(h) **Other Conditions**: The extension and continued operation shall be subject to any other specific or general conditions stated in Annexure – 1 annexed to this approval.

Effective Date:
This extension shall come into effect from [*Start Date of Extension*] and shall remain valid until [*End Date of Extension*], unless terminated earlier in accordance with law and terms herein.

Acknowledgment:
The Lessee is required to acknowledge receipt and acceptance of the terms of this extension by countersigning and returning a copy of this approval within [___] days of its issuance. Whereafter, the term of the Lease specified in ____ of the Lease deed Dated ____ shall be read as _____.

For and on behalf of
[Central Government/State Government]
[Name, Designation, and Department]
[Seal and Date]

Countersigned and Accepted:
[Name of Lessee/Authorised Signatory]
[Designation]
[Date]

Annexure -1

Provide List of any other specific or general conditions, if any, that is necessary

APPENDIX-A

1. AREA OF THE LEASE: _____ sq kms

2. DESCRIPTION OF THE LEASED AREA_____ and MAP

Schedule – V
(Application for Extension of Area of Petroleum Lease)
[*See* rule 12 (3)]

1. General Information:

S. No.	Description	Details
(i)	(a) Details of contract executed between Government and applicant (if applicable)	
	(b) Applicant Name	
	(c) Address	
	(d) Place of incorporation	
(ii)	Name of Petroleum Lease (if applicable)	
(iii)	Name of State (applicable for onland)	
(iv)	Name of Basin / Asset (if applicable)	
(v)	Regime	
(vi)	Type of Company (Public/private)	
(vii)	Details of existing Petroleum Lease/License or approval for Grant of Petroleum Lease/License	
(viii)	Date of execution of the lease deed/license	
(ix)	Existing area of the Lease	
(x)	Extension of Area applied	
(xi)	State and District of the extension of area	
(xii)	Effective Date for existing Lease	

2. Proposed Petroleum Lease Area Details:

(i) Co-ordinates of the Applied Area:

(a) Projection System (in WGS-84).

Projection System	Spheroid	Zone

(b) Co-ordinates of existing lease:

Points	X	Y	Longitude			Latitude		
			Degrees	Minutes	Seconds	Degrees	Minutes	Seconds

(c) Co-ordinates of the area applied for extension:

Points	X	Y	Longitude			Latitude		
			Degrees	Minutes	Seconds	Degrees	Minutes	Seconds

(d) Map of the petroleum lease along with the area applied for extension:

(e) Whether the applied extended area or part thereof falls within any reserve forest. If so, mention the area in sq.km that falls within Reserve Forest along with the name of Reserve Forest (for onshore):
In case of village, the name of the village & area covered (for onshore):

(f) Lists of Districts (for onshore):

(g) Lists of States (for onshore):

(h) List of Maps/figures:

Map/ Fig No	Description	
1	Gas/Oil isopay map	
2	Seismic Attribute map	
3	Seismic cross section	
4.	Net pay map	
5	1P / 2P / 3P polygon with well location	
6	Well log correlation	
7	Shape file of block boundary	
8	Structure contour / depth contour map	
9	Representative log sections marking interesting zones	
10	Any other maps/figures	

Note: Applicable Maps/figures may be attached as annexures

(ii) Does the area applied for extension share boundary with any other petroleum lease (If yes, Details of the lease and operator):

3. Justification for Extension of the area of the Petroleum Lease:

4. Field Development Plan proposed (if applicable):

5. Work Programme Proposed for the area applied for extension (if applicable):

6. Projected investment:

7. Copies of documents, reports, studies, models indicating extension of the reservoir in the area for which extension is being sought.

Schedule – VI

(Extension of Area of Petroleum Lease)

[*See* rule 12 (6) & (7)]

To:
[Name of the Lessee]
[Registered Address of the Lessee]

Subject: Approval of application for extension of area of Petroleum Lease for [*Description of Leased Area/Block/Field*]

Sir/Madam,

I am directed to refer to your application dated [___], submitted pursuant to rule [___] of the Petroleum and Natural Gas Rules, 2025 (hereinafter referred to as "the Rules"), seeking extension of the area of the Petroleum Lease deed dated [___], originally granted on[___], for [*Location/Description*].

Upon review of your application, supporting documents, and in accordance with the Rules, the [Central Government/State Government with prior approval of the Central Government], hereby approves the application for extension of the area of Petroleum Lease deed dated [____]. The revised Leased Area now admeasures _____, as described in Appendix-A attached hereto, and shall be subject to the terms and conditions given below.

Conditions of Extension:

(a) The Lessee shall continue to be bound by all terms, conditions, covenants, and obligations in the Lease deed dated ____ in respect of the entire revised Leased Area.

(b) **Rent**: The Lessee shall pay rent at the rate applicable as per rule 9, for the entire revised Leased Area.

(c) **Compliance**: The Lessee shall comply with all applicable laws in India.

(d) **No Waiver**: This extension does not waive or prejudice any rights or remedies of the Government under the original lease or applicable law concerning any breach or default by the Lessee.

(e) **Other Conditions**: The extension shall be subject to any other specific or general conditions stated in Annexure – 1 annexed to this approval.

Effective Date:

This extension shall come into effect on ____.

Acknowledgment:

The Lessee is required to acknowledge receipt and acceptance of the terms of this extension by countersigning and returning a copy of this approval within [___] days of issuance. Whereafter, the Leased Area specified in the Appendix-A of the Lease deed dated ____ shall be read as _____ and the map provided therein shall deemed to have been substituted with the map annexed hereto.

For and on behalf of
[Central Government/State Government]
[Name, Designation, and Department]
[Seal and Date]

Countersigned and Accepted:
[Name of Lessee/Authorised Signatory]
[Designation]
[Date]

Annexure -1

Provide List of any other specific or general conditions, if any, that is necessary

APPENDIX-A

1. AREA OF THE LEASE: _____ sq kms

2. DESCRIPTION OF THE LEASED AREA_____ and MAP

Schedule – VII

(Form for Submission of Monthly Return Indicating the Quantity of Mineral Oils Produced)

[*See* rule 14 (2)]

Contract Details						
Petroleum Lease Details						
Petroleum Lease Grant Date						
Petroleum Lease Expiry Date						
Name of Lessee/Contractors						
Name of Field/ Block/ Area						
Month & Year						
Indicate type of mineral oil (Crude Oil / Condensate)						
(1) Total Mineral Oil Produced (Barrels)	(2) Mineral Oil returned to the Reservoir (Barrels)	(3) Mineral oil used for drilling or other operations relating to the production of mineral oils (Barrels)	(4) Mineral Oil Unavoidably Lost (Barrels)	(5) = (1)-(2)-(3)-(4) (Barrels)	Remarks	
(1) Total Mineral Oil Produced (Metric Tonnes)	(2) Mineral Oil returned to the Reservoir (Metric Tonnes)	(3) Mineral oil used for drilling or other operations relating to the production of mineral oils	(4) Mineral Oil Unavoidably Lost (Metric Tonnes)	(5) = (1)-(2)-(3)-(4) (Metric Tonnes)	Remarks	

		(Metric Tonnes)				
Royalty incentive details, if applicable (Oil)						
Gazette Notification No. / Policy (Attach reference document as Annexure)		*Gazette Notification No., Date / Policy reference, date*			Royalty reduction percentage as per Gazette Notification/ policy	
Quantity qualifying for royalty reduction (Barrels)						
Quantity qualifying for royalty reduction (Metric Tonnes)						
Indicate type of mineral oil (Gas)						
(1) Total Mineral Oil Produced (Standard Cubic Meters)	(2) Mineral Oil returned to the Reservoir (Standard Cubic Meters)	(3) Mineral oil used for drilling or other operations relating to the production of mineral oils (Standard Cubic Meters)	(4) Mineral Oil Unavoidably Lost (Standard Cubic Meters)	(5) = (1)-(2)-(3)-(4) (Standard Cubic Meters)	Flared (Standard Cubic Meters)	Remarks
(1) Total Mineral Oil Produced (Million British Thermal Units)	(2) Mineral Oil returned to the Reservoir (Million British Thermal Units)	(3) Mineral oil used for drilling or other operations relating to the production of mineral oils (Million British Thermal Units)	(4) Mineral Oil Unavoidably Lost (Million British Thermal Units)	(5) = (1)-(2)-(3)-(4) (Million British Thermal Units)	Flared (Standard Cubic Meters)	Remarks

Royalty Incentive Details, if applicable (Gas)			
Gazette Notification No. / Policy (Attach reference document as Annexure)	*Gazette Notification No., Date / Policy reference, date*	Royalty reduction percentage as per Gazette Notification/ policy	
Quantity qualifying for royalty reduction (Standard Cubic Meters)			
Quantity qualifying for royalty reduction (Million British thermal Units)			

Declaration: I hereby declare that the information submitted herein is correct to the best of my knowledge. I further confirm that the data submitted complies with the applicable regulations, including but not limited to the Petroleum and Natural Gas Rules, 2025, and any directives issued by the relevant governmental authorities. I understand that providing false or misleading information may result in legal and regulatory consequences.

Name:
Designation:
Company:
Date:
Signature:

Schedule – VIII
(Application for grant of Special petroleum lease)
[*See* rule 62(2)]

1. General Information:

Sl. No.	Description	Details	
(i)	(a) Details of contract executed between Government and applicant (if applicable)		
	(b) Applicant Name		
	(c) Address		
	(d) Place of incorporation		
(ii)	Name of Petroleum Lease (if applicable)		
(iii)	Name of State (applicable for onland)		
(iv)	Name of Basin or Asset (if applicable)		
(v)	Regime		
(vi)	Type of Company (Public or private)		
(vii)	Detail(s) of related Petroleum Exploration License or Petroleum Lease (if applicable)		
(viii)	Area of the lease applied		
(ix)	Field(s) or Structure in Lease area (if any)		
(x)	Duration applied for Grant	From _____ to_____	
(xi)	Statutory Fees Paid	Amount	Date of payment
	Security Deposit		

2. List of the specific petroleum operations proposed to be carried out in the special petroleum lease area

3. Projected investment/expenditure:

4. Justification for seeking special petroleum lease and not petroleum lease:

5. Proposed special petroleum lease area details:
(i) Co-ordinates of the applied area:

(a) Projection system (in World Geodetic System 1984).

Projection System	Spheroid	Zone

(b) Co-ordinates of the lease:

Points	X	Y	Longitude			Latitude		
			Degrees	Minutes	Seconds	Degrees	Minutes	Seconds

(c) Map of the petroleum lease applied:

(d) Whether the proposed area or part thereof falls within any reserve forest. If so, mention the area in sq.km that falls within reserve forest along with the name of reserve forest :

(e) In case of village, the name of the village & area covered:

(f) Lists of Districts:

(g) List of Maps/figures:

Map/ Figure No.	Description	
1	Gas/Oil isopay map	
2	Seismic Attribute map	
3	Seismic cross section	
4.	Net pay map	
5	1P / 2P / 3P polygon with well location	
6	Well log correlation	
7	Shape file of block boundary	
8	Structure contour / depth contour map	
9	Representative log sections marking interesting zones	
10	Any other maps/figures	
11	Copy of the contract	

Note: Applicable Maps/figures may be attached as annexures

Signature of Authorised Representative of Lessee

[F. No. Expl- 11032(11)/6/2025-EXPL-II-PNG (E 52681)]

VINOD SESHAN, Jt. Secy.

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ಕರ್ನಾಟಕ ರಾಜ್ಯಪಾಲರ ಆದೇಶಾನುಸಾರ
ಮತ್ತು ಅವರ ಹೆಸರಿನಲ್ಲಿ

(ಅಫೀಫಾ ಉಸ್ಮಾನಿ)
ಸಹಾಯಕ ಪ್ರಾರೂಪಕಾರ ಮತ್ತು ಪದನಿಮಿತ್ತ
ಸರ್ಕಾರದ ಉಪ ಕಾರ್ಯದರ್ಶಿ
ಸಂಸದೀಯ ವ್ಯವಹಾರಗಳು ಮತ್ತು
ಶಾಸನ ರಚನೆ ಇಲಾಖೆ

PR-01

ಸಂಸದೀಯ ವ್ಯವಹಾರಗಳು ಮತ್ತು ಶಾಸನ ರಚನೆ ಇಲಾಖೆ
ಅಧಿಸೂಚನೆ

ಸಂಖ್ಯೆ: ಸಂವ್ಯಶಾಇ 45 ಕೇಶಾಪ್ರ 2025 ಬೆಂಗಳೂರು, ದಿನಾಂಕ: 30.12.2025

ದಿನಾಂಕ: 11.12.2025 ರಂದು ಭಾರತ ಸರ್ಕಾರದ ಗೆಜೆಟ್‌ನ ವಿಶೇಷ ಸಂಚಿಕೆಯ Part-II-Section-1 ರಲ್ಲಿ ಪ್ರಕಟವಾದ THE CENTRAL EXCISE (AMENDMENT) ACT, 2025 (NO. 34 OF 2025) ಅನ್ನು ಸಾರ್ವಜನಿಕರ ಮಾಹಿತಿಗಾಗಿ ಕರ್ನಾಟಕ ರಾಜ್ಯಪತ್ರದಲ್ಲಿ ಮರು ಪ್ರಕಟಿಸಲಾಗಿದೆ,-

रजिस्ट्री सं॰ डी॰ एल॰—(एन)04/0007/2003—25 REGISTERED NO. DL—(N)04/0007/2003—25

भारत का राजपत्र
The Gazette of India

सी.जी.-डी.एल.-अ.-11122025-268419
CG-DL-E-11122025-268419

असाधारण
EXTRAORDINARY
भाग II — खण्ड 1
PART II — Section 1
प्राधिकार से प्रकाशित
PUBLISHED BY AUTHORITY

सं॰ 58] नई दिल्ली, बृहस्पतिवार, दिसम्बर 11, 2025/अग्रहाण्य 20, 1947 (शक)
No. 58] NEW DELHI, THURSDAY, DECEMBER 11, 2025/AGRAHAYANA 20, 1947 (Saka)

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Separate paging is given to this Part in order that it may be filed as a separate compilation.

MINISTRY OF LAW AND JUSTICE
(Legislative Department)

New Delhi, the 11*th December,* 2025*/Agrahayana* 20, 1947 *(Saka)*

The following Act of Parliament received the assent of the President on the 11th December, 2025 and is hereby published for general information:—

THE CENTRAL EXCISE (AMENDMENT) ACT, 2025

No. 34 OF 2025

[11*th December,* 2025.]

An Act further to amend the Central Excise Act, 1944.

BE it enacted by Parliament in the Seventy-sixth Year of the Republic of India as follows:—

1. (*1*) This Act may be called the Central Excise (Amendment) Act, 2025. Short title and commencement.

(*2*) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

Amendment of Fourth Schedule.

2. In the Central Excise Act, 1944, in the Fourth Schedule, in Section IV, for the Table occurring under the sub-heading "Supplementary Notes", the following Table shall be substituted, namely:— 1 of 1944.

'Tariff item	*Description of goods*	*Unit*	*Rate of duty*
(1)	(2)	(3)	(4)
2401	**Unmanufactured Tobacco; Tobacco Refuse**		
2401 10	- *Tobacco, not stemmed or stripped:*		
2401 10 10	--- Flue cured virginia tobacco	kg.	70%
2401 10 20	--- Sun cured country (natu) tobacco	kg.	70%
2401 10 30	--- Sun cured virginia tobacco	kg.	70%
2401 10 40	--- Burley tobacco	kg.	70%
2401 10 50	--- Tobacco for manufacture of biris, not stemmed	kg.	70%
2401 10 60	--- Tobacco for manufacture of chewing tobacco	kg.	70%
2401 10 70	--- Tobacco for manufacture of cigar and cheroot	kg.	70%
2401 10 80	--- Tobacco for manufacture of hookah tobacco	kg.	70%
2401 10 90	--- Other	kg.	70%
2401 20	- *Tobacco, partly or wholly stemmed or stripped:*		
2401 20 10	--- Flue cured virginia tobacco	kg.	70%
2401 20 20	--- Sun cured country (natu) tobacco	kg.	70%
2401 20 30	--- Sun cured virginia tobacco	kg.	70%
2401 20 40	--- Burley tobacco	kg.	70%
2401 20 50	--- Tobacco for manufacture of biris	kg.	70%
2401 20 60	--- Tobacco for manufacture of chewing tobacco	kg.	70%
2401 20 70	--- Tobacco for manufacture of cigar and cheroot	kg.	70%
2401 20 80	--- Tobacco for manufacture of hookah tobacco	kg.	70%
2401 20 90	--- Other	kg.	70%
2401 30 00	- Tobacco refuse	kg.	60%
2402	**Cigars, cheroots, cigarillos and cigarettes, of tobacco or of tobacco substitutes**		
2402 10	- *Cigars, cheroots and cigarillos, containing tobacco:*		
2402 10 10	--- Cigar and cheroots	Tu	25% or Rs. 5000 per thousand whichever is higher

(1)		(2)	(3)	(4)
2402 10 20	---	Cigarillos	Tu	25% or Rs. 5000 per thousand whichever is higher
2402 20	-	*Cigarettes, containing tobacco:*		
2402 20 10	---	Other than filter cigarettes, of length not exceeding 65 millimetres	Tu	Rs. 2700 per thousand
2402 20 20	---	Other than filter cigarettes, of length exceeding 65 millimetres but not exceeding 70 millimetres	Tu	Rs. 4500 per thousand
2402 20 30	---	Filter cigarettes of length (including the length of the filter, the length of filter being 11 millimetres or its actual length, whichever is more) not exceeding 65 millimetres	Tu	Rs. 3000 per thousand
2402 20 40	---	Filter cigarettes of length (including the length of the filter, the length of filter being 11 millimetres or its actual length, whichever is more) exceeding 65 millimetres but not exceeding 70 millimetres	Tu	Rs. 5200 per thousand
2402 20 50	---	Filter cigarettes of length (including the length of the filter, the length of filter being 11 millimetres or its actual length, whichever is more) exceeding 70 millimetres but not exceeding 75 millimetres	Tu	Rs. 7000 per thousand
2402 20 90	---	Other	Tu	Rs. 11000 per thousand
2402 90	-	*Other:*		
2402 90 10	---	Cigarettes of tobacco substitutes	Tu	Rs. 5000 per thousand
2402 90 20	---	Cigarillos of tobacco substitutes	Tu	14% or Rs. 5000 per thousand whichever is higher
2402 90 90	---	Other	Tu	14% or Rs. 5000 per thousand whichever is higher

(1)	(2)		(3)	(4)
2403	**Other manufactured tobacco and manufactured tobacco substitutes; "Homogenised" or "Reconstituted" tobacco; Tobacco extracts and essences**			
	-	*Smoking tobacco, whether or not containing tobacco substitute in any proportion;*		
2403 11	--	*Water pipe tobacco specified in Sub-heading Note to this Chapter:*		
2403 11 10	---	Hookah or gudaku tobacco	kg.	40%
2403 11 90	---	Other	kg.	40%
2403 19	--	*Other:*		
2403 19 10	---	Smoking mixtures for pipes and cigarettes	kg.	325%
	---	*Biris:*		
2403 19 21	----	Other than paper rolled biris, manufactured without the aid of machine	Tu	10%
2403 19 29	----	Other	Tu	10%
2403 19 90	---	Other	kg.	22%
	-	*Other:*		
2403 91 00	--	"Homogenised" or "reconstituted" tobacco	kg.	70%
2403 99	--	*Other:*		
2403 99 10	---	Chewing tobacco	kg.	100%
2403 99 20	---	Preparations containing chewing tobacco	kg.	100%
2403 99 30	---	Jarda scented tobacco	kg.	100%
2403 99 40	---	Snuff	kg.	70%
2403 99 50	---	Preparations containing snuff	kg.	70%
2403 99 60	---	Tobacco extracts and essence	kg.	70%
2403 99 70	---	Cut-tobacco	kg.	10%
2403 99 90	---	Other	kg.	125%
2404	**Products containing tobacco, reconstituted tobacco, nicotine, or tobacco or nicotine substitutes, intended for inhalation without combustion; other nicotine containing products intended for the intake of nicotine into the human body**			
	-	*Products intended for inhalation without combustion*		

(1)		(2)	(3)	(4)
2404 11 00	--	Containing tobacco or reconstituted tobacco	kg.	100%
2404 12 00	--	Other, containing nicotine	kg.	…..
2404 19 00	--	Other	kg.	100%
	-	*Other:*		
2404 91 00	--	For oral application	kg.	…..
2404 92 00	--	For transdermal application	kg.	…..
2404 99 00	--	Other	kg.	…..’.

DR. RAJIV MANI,
Secretary to the Govt. of India.

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ಮತ್ತು ಅವರ ಹೆಸರಿನಲ್ಲಿ

(ಅಫೀಫಾ ಉಸ್ಮಾನಿ)
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ಶಾಸನ ರಚನೆ ಇಲಾಖೆ

PR-02

ಸಂಸದೀಯ ವ್ಯವಹಾರಗಳು ಮತ್ತು ಶಾಸನ ರಚನೆ ಇಲಾಖೆ
ಅಧಿಸೂಚನೆ

ಸಂಖ್ಯೆ: ಸಂವ್ಯಶಾಇ 46 ಕೇಶಾಪ್ರ 2025 ಬೆಂಗಳೂರು, ದಿನಾಂಕ: 30.12.2025

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रजिस्ट्री सं॰ डी॰ एल॰—(एन)04/0007/2003—25 REGISTERED NO. DL—(N)04/0007/2003—25

भारत का राजपत्र
The Gazette of India

सी.जी.-डी.एल.-अ.-16122025-268562
CG-DL-E-16122025-268562

असाधारण
EXTRAORDINARY
भाग II — खण्ड 1
PART II — Section 1
प्राधिकार से प्रकाशित
PUBLISHED BY AUTHORITY

सं॰ 59] नई दिल्ली, मंगलवार, दिसम्बर 16, 2025/अग्रहाण्य 25, 1947 (शक)
No. 59] NEW DELHI, TUESDAY, DECEMBER 16, 2025/AGRAHAYANA 25, 1947 (Saka)

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Separate paging is given to this Part in order that it may be filed as a separate compilation.

MINISTRY OF LAW AND JUSTICE
(Legislative Department)

New Delhi, the 16*th December,* 2025/*Agrahayana* 25, 1947 *(Saka)*

The following Act of Parliament received the assent of the President on the 15th December, 2025 and is hereby published for general information:—

THE HEALTH SECURITY *SE* NATIONAL SECURITY CESS ACT, 2025

No. 35 OF 2025

[15*th December,* 2025.]

An Act to augment the resources for meeting expenditure on national security and for public health, and to levey a cess for the said purposes on the machines installed or other processes undertaken by which specified goods are manufactured or produced and for matters connected therewith or incidental thereto.

BE it enacted by Parliament in the Seventy-sixth Year of the Republic of India as follows:—

CHAPTER I

PRELIMINARY

1. (*1*) This Act may be called the Health Security *se* National Security Cess Act, 2025. Short title and commencement.

(*2*) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

Definitions.

2. In this Act, unless the context otherwise requires,—

(*a*) "adjudicating authority" means the concerned proper officer appointed or authorised under the respective provisions to pass orders under this Act after adjudication, but does not include the Board, the revisional authority and the appellate authority;

(*b*) "appellate authority" means an authority appointed or authorised to hear appeals under section 29;

(*c*) "Appellate Tribunal" means the Customs, Excise and Service Tax Appellate Tribunal constituted under section 129 of the Customs Act, 1962; 52 of 1962.

(*d*) "Board" means the Central Board of Indirect Taxes and Customs constituted under section 3 of the Central Boards of Revenue Act, 1963; 54 of 1963.

(*e*) "cess" means the Health Security *se* National Security Cess levied under section 4;

(*f*) "factory" means any premises, including the precincts thereof, wherein or in any part of which—

(*i*) the specified goods are manufactured; or

(*ii*) any manufacturing process connected with the production of the specified goods are being carried on or is ordinarily carried on;

(*g*) "machine" for the purposes of manufacture or production of the specified goods includes all types of Form, Fill and Seal Machines and Profile Pouch Making Machines, by whatever name called, whether vertical or horizontal, with or without collar, single track or multi-track, and any other type of packing machine used for packing of the specified goods in pouches, tins or other containers;

(*h*) "manufacture" includes—

(*i*) any process incidental or ancillary to the completion of the specified goods; and

(*ii*) the process of packing or repacking of such goods in a pouch or tin or other container or labelling or re-labelling thereof including the declaration or alteration of retail sale price on it or adoption of any other treatment on the goods to render the specified goods marketable to the consumer,

whether or not such process is the only process undertaken;

(*i*) "notification" means a notification published in the Gazette of India and the expression "notify" with its grammatical variation and cognate expressions shall be construed accordingly;

(*j*) "pan masala" means goods falling under tariff item 2106 90 20 of the First Schedule to the Customs Tariff Act, 1975; 51 of 1975.

(*k*) "prescribed" means prescribed by rules made under this Act;

(*l*) "proper officer" means any officer of the Central Government entrusted with such powers or assigned with specific functions under the provisions of this Act by the Board;

(*m*) "process" means any manual, mechanical, electrical, electronic, automated or hybrid operation, or any other activity by which the specified goods are manufactured or produced, whether wholly or in part;

(*n*) "revisional authority" means an authority appointed or authorised under section 28 for revision of an order of the adjudicating authority;

(*o*) "Schedule" means a Schedule annexed to this Act;

(*p*) "specified goods" means the goods as specified in Schedule I to this Act or such other goods as the Central Government may, by notification, specify;

(*q*) "State" includes a Union territory with Legislature;

(*r*) "taxable person" shall mean a person referred to in section 3; and

(*s*) "weight" means the maximum weight of the specified goods that is capable of being packaged in each pouch, tin or other container by the relevant machine or process.

CHAPTER II

TAXABLE PERSON

Taxable person.

3. (*1*) For the purposes of this Act, "taxable person" means any person who owns, possesses, operates, manages, or is otherwise in control of the machine or undertakes any process by which specified goods are manufactured or produced, whether directly or through job-workers, employees, hired labour, or through any other person acting on his behalf under any arrangement.

(*2*) A person shall be treated as a taxable person under this section irrespective of whether he has opted for, or is availing of, any composition scheme, concessional levy, or any other alternate scheme of taxation applicable to the specified goods, under any law for the time being in force.

(*3*) For the purposes of this section,—

(*a*) the ownership, possession, or control over the machine or processes shall be sufficient to constitute a person as a taxable person, irrespective of the actual quantity manufactured;

(*b*) where a machine or process, is owned, possessed, leased, hired or otherwise placed at the disposal of one or more persons manufacturing or producing the specified goods, every such person shall be regarded as a taxable person; and

(*c*) where the production or manufacture of the specified goods are divided into stages or processes carried out by different persons, such person undertaking the final process that results in the completion or rendering of the specified goods marketable, shall be deemed to be the taxable person.

CHAPTER III

HEALTH SECURITY *SE* NATIONAL SECURITY CESS

Levy and collection of cess.

4. (*1*) There shall be levied and collected a cess, to be called Health Security *se* National Security Cess, from every taxable person, on the machines installed or other processes undertaken by him for the manufacture or production of the specified goods referred to in Schedule I, at the amount specified in Schedule II and computed in the manner provided in section 5.

(*2*) The cess leviable under sub-section (*1*) shall be in addition to any other duties or taxes chargeable on the specified goods under any law for the time being in force.

(*3*) If the Central Government is satisfied that it is necessary in the public interest so to do, it may, by notification, exempt any taxable person or a class of taxable persons, unconditionally or subject to such conditions, from the whole or any part of the cess leviable under this section for such period as may be specified in the said notification.

Manner of computation of cess.

5. (*1*) The cess referred to in section 4 shall be computed in accordance with the provisions of this section based on the relevant process, speed of the machine or capacity of other processes and the weight of the specified goods packed in pouch, tin or other container, as the case may be, as declared by the taxable person and, where applicable, as verified or calibrated by the proper officer under section 9, and on the amount specified in Schedule II for such combination of process, speed or capacity and weight.

(*2*) Where the specified goods are manufactured or produced wholly or partly with the aid of a machine, the cess shall be levied and collected from the taxable person—

(*a*) with reference to the maximum rated speed of the machine measured in number of pouches, tins or containers per minute;

(*b*) for the corresponding weight of the specified goods packed in a pouch, tin or container;

(*c*) at the monthly amount of cess specified in column (4) in Table 1 of Schedule II against such rated speed and weight provided therein.

(*3*) The cess payable under section 4 shall be the aggregate of cess calculated under sub-section (*2*) for each of the machines installed in a factory of the taxable person and where such taxable person owns, possesses, leases or otherwise controls machines installed in more than one factory, the cess shall be computed separately for each such factory.

(*4*) Where the specified goods are manufactured or produced by a taxable person wholly by manual process without the aid of a machine, the cess shall be levied and collected from the taxable person for each factory at the monthly amount specified in column (4) in Table 2 of Schedule II, irrespective of the capacity of such manual process or the weight of the specified goods packed in a pouch, tin or container.

(*5*) For the purposes of sub-section (*4*), a taxable person shall be deemed to be engaged in the manufacture or production of the specified goods wholly by manual process without the aid of a machine only where no machine capable of performing, assisting, or completing any part of the process of manufacture or production of the specified goods is installed in the factory of the taxable person.

(*6*) The cess determined under sub-section (*2*) or sub-section (*4*) shall be payable for each month or part thereof and shall be subject to such abatement or other conditions, as may be prescribed.

(*7*) Where any machine or manual process unit remains inoperative for a continuous period of fifteen days or more, the cess computed under this section shall, subject to such conditions, as may be prescribed, be abated proportionately for the period of such non-operation.

Power of Central Government to increase amount of cess in special circumstances.

6. (*1*) Where the Central Government is satisfied that it is necessary in the public interest so to do, it may, by notification, direct in respect of such specified goods that the amount of cess specified in column (4) in Table 1 of Schedule II and in column (4) in Table 2 of the said Schedule, shall be increased to such amount, not exceeding twice the amount so specified, for such period as may be specified in the notification.

(*2*) The provisions of this Act shall apply to the cess, as increased under this section, as they apply to the cess specified in Schedule II.

Purpose of levy of cess.

7. (*1*) The cess shall be levied for the purposes of meeting expenditure on the national security of India and for public health.

(*2*) The proceeds of the cess levied under section 4 shall first be credited to the Consolidated Fund of India and the Central Government may, after due appropriation made by Parliament by law in this behalf, utilise such sums of money of the cess for the purposes specified in sub-section (*1*), as it may consider necessary.

(*3*) For the purposes of utilisation of the cess, the Central Government may specify such activities, schemes and programmes for national security or, as the case may be, for public health, as may be prescribed.

CHAPTER IV

REGISTRATION AND RETURNS

Registration, cancellation and revocation.

8. (*1*) Every taxable person who owns, possesses, leases or otherwise controls a machine installed or a process undertaken in a factory, shall register himself with the jurisdictional proper officer in such manner as may be prescribed.

(*2*) The proper officer may, either on his own motion or on an application filed by the registered person, or by his legal heirs in case of death of such person, cancel the registration, in such manner and within such period, as may be prescribed, having regard to the circumstances where,—

(*a*) the business has been discontinued, or transferred fully for any reason including death of the proprietor, or amalgamated with other legal entity, or demerged, or otherwise disposed of; or

(*b*) there is any change in the constitution of the business; or

(*c*) the taxable person is no longer liable to be registered under this section.

(*3*) The proper officer may, after giving a reasonable opportunity of being heard, cancel the registration of a taxable person from such date, as he may deem fit, where,—

(*a*) a registered person has contravened any of the provisions specified in section 18; or

(*b*) a registered person has not furnished returns for six consecutive calendar months; or

(*c*) registration has been obtained by means of fraud, wilful misstatement or suppression of facts.

(*4*) The cancellation of registration under sub-section (*2*) or sub-section (*3*) shall not affect the liability of the person to pay cess and other dues under this Act or to discharge any other obligation under this Act or the rules made thereunder, for any period prior to the date of such cancellation, whether or not such cess and other dues are determined before or after the date of the cancellation.

(*5*) Subject to such conditions as may be prescribed, any taxable person, whose registration is cancelled by the proper officer on his own motion, may apply to such officer for revocation of cancellation of the registration in such form and manner, as may be prescribed, within a period of thirty days from the date of service of the cancellation order and upon receiving such application, the proper officer may, in such manner and within such period, as may be prescribed, and after giving a reasonable opportunity of being heard, by order, either revoke the cancellation of registration or reject the application.

Declaration to be filed by taxable person.

9. (*1*) Every taxable person shall, in respect of machine installed or process undertaken in such factory, furnish a self-declaration in such form, manner and within such time, as may be prescribed, containing the particulars of the machines installed or processes undertaken for the manufacture or production of the specified goods, together with the parameters relevant for computation of the cess, including the maximum rated speed, weight of packing, nature of packing and such other technical or operational particulars, as may be prescribed.

(*2*) Where any parameter relevant for the computation of the cess undergoes any change, the taxable person shall furnish a fresh self-declaration under sub-section (*1*) within such time, form and manner, as may be prescribed.

(*3*) In case of installation, addition or commencement of operation of any machine or process, the taxable person shall furnish the self-declaration referred to in sub-section (*2*) within fifteen days of such installation, addition or commencement.

(*4*) The declaration in sub-section (*1*) shall be subject to calibration, verification and confirmation by the proper officer, with the approval of an officer not below the rank of Joint Commissioner, in such form, manner and within such time, as may be prescribed and the parameters so verified and confirmed shall be considered for the computation of cess under section 5.

(*5*) No calibration, verification or confirmation under sub-section (*4*) shall be made by the proper officer without giving the taxable person a reasonable opportunity of being heard.

(*6*) Every taxable person shall comply with such oversight, monitoring or verification mechanisms, whether technological, operational or audit-based, as may be prescribed, to ensure the integrity and accuracy of reporting in relation to the manufacture or production of the specified goods.

Payment of cess and returns.

10. (*1*) The cess levied under section 4 shall be collected from every taxable person at the beginning of each month, but not later than the 7th day of that month, in such manner as may be prescribed.

(*2*) Every taxable person shall, for every calendar month or part thereof, self-assess the cess payable under section 4 and furnish a return, in such form, manner, within such time, and subject to such conditions and restrictions, as may be prescribed.

(*3*) The Board may, for reasons to be recorded in writing, by notification, extend the time limit for furnishing the returns under this section for such class of taxable persons as may be specified therein.

(*4*) Where any taxable person, after furnishing a return under sub-section (*2*), discovers any omission or incorrect particulars therein, other than as a result of any action in this behalf by the proper officer, he shall rectify such omission or incorrect particulars in such form and manner, as may be prescribed, subject to payment of interest, if any, under this Act.

(*5*) Where a taxable person fails to furnish a return under sub-section (*2*), a notice shall be issued by the proper officer requiring him to furnish such return within fifteen days in such form and manner, as may be prescribed.

(*6*) No taxable person shall furnish a return for any calendar month after the expiry of a period of two years from the due date for furnishing such return.

CHAPTER V

AUDIT AND ASSESSMENT

Scrutiny and assessments.

11. (*1*) The proper officer may scrutinise the return and related particulars furnished by the registered taxable person to verify the correctness of the return and inform him of the discrepancies noticed, if any, in such manner, as may be prescribed, and seek his explanation thereto and in case—

(*a*) the explanation so given is found acceptable, the taxable person shall be informed accordingly and no further action shall be taken in this regard;

(*b*) no satisfactory explanation is furnished within a period of thirty days of being informed by the proper officer or such further period, as may be permitted by him, or where the taxable person, after accepting the discrepancies, fails to take the corrective measure in his return for the month in which the discrepancy is accepted, the proper officer may initiate appropriate action in accordance with the provisions of this Act.

(*2*) Where a taxable person fails to furnish the return under section 10, either on his own motion or in response to a notice issued, the proper officer may proceed to assess the liability of cess of the said person to the best of his judgement, taking into account all the relevant material which is available or which he has gathered and issue an assessment order within a period of five years from the end of the month to which the cess not paid relates.

(*3*) Where a taxable person fails to obtain registration, or whose registration has been cancelled but who was liable to pay cess, the proper officer may proceed to assess the liability of the cess payable by such taxable person to the best of his judgment for the relevant calendar month and issue an assessment order within a period of five years from the end of the month to which the cess not paid relates.

(*4*) No assessment order shall be passed under sub-section (*2*) or sub-section (*3*) by the proper officer without giving the taxable person a reasonable opportunity of being heard.

Audit.

12. (*1*) The proper officer not below the rank of a Commissioner or any other officer authorised by him may, by way of a general or special order, undertake audit of any registered taxable person for such period, at such frequency and in such manner, as may be prescribed.

(*2*) The officers referred to in sub-section (*1*) may conduct audit in their office or at the place of business of the registered taxable person.

(*3*) The registered taxable person shall be informed by way of a notice not less than fifteen working days prior to the conduct of audit in such manner as may be prescribed.

(*4*) The audit under sub-section (*1*) shall be completed within a period of three months from the date of commencement of such audit.

(*5*) Where the proper officer referred to in sub-section (*1*) is satisfied that the audit in respect of such registered taxable person cannot be completed within the period of three months, he may, for the reasons to be recorded in writing, extend the said period by a further period not exceeding six months.

(*6*) For the purposes of this sub-section, the expression, "commencement of audit" shall mean the date on which the records and other documents called for by the proper officer, are made available by the registered taxable person or the actual institution of audit at the office of the proper officer or at the place of business of such registered taxable person, whichever is later.

(*7*) During the course of audit, the proper officer may require the registered taxable person—

(*a*) to afford him the necessary facility to verify the books of account or other documents as he may require; and

(*b*) to furnish such information as he may require and render necessary assistance for timely completion of the audit.

(*8*) On conclusion of audit, the proper officer shall, within thirty days, inform the registered taxable person, whose records are audited, about the findings, his rights and obligations and the reasons for such findings.

(*9*) Where the audit conducted under sub-section (*1*) results in detection of cess not paid or short paid or erroneously refunded, the proper officer may initiate action under section 16.

Power to summon persons to give evidence and produce documents.

13. (*1*) The proper officer under this Act shall have power to summon any person whose attendance he considers necessary, either to give evidence or to produce a document or any other thing, in any inquiry in the same manner, as provided in the case of a Civil Court under the provisions of the Code of Civil Procedure, 1908.

5 of 1908.

(*2*) Every such inquiry referred to in sub-section (*1*) shall be deemed to be a "judicial proceeding" within the meaning of section 193 and section 267 of the Bharatiya Nyaya Sanhita, 2023. 45 of 2023.

Access to business premises.

14. (*1*) Any officer under this Act, authorised by the proper officer not below the rank of a Joint Commissioner, shall have access to any place of business of a taxable person to inspect books of account, documents, computers, computer programs, computer software, whether installed in a computer or otherwise, and such other things as he may require and which may be available at such place, for the purposes of carrying out any audit, scrutiny, verification and checks, as may be necessary to safeguard the interest of revenue.

(*2*) Every person in charge of the place referred to in sub-section (*1*) shall, on demand, make available to the officer authorised under sub-section (*1*), or the audit party deputed by the proper officer,—

(*a*) such records as prepared or maintained by the taxable person and declared to the proper officer in such manner as may be prescribed;

(*b*) trial balance or its equivalent;

(*c*) statements of annual financial accounts, duly audited, wherever required;

(*d*) cost audit report, if any, under section 148 of the Companies Act, 2013; 18 of 2013.

(*e*) the income-tax audit report, if any, under section 44AB of the Income-tax Act, 1961; and 43 of 1961.

(*f*) any other relevant record, for the scrutiny by such officer or audit party, within a period not exceeding fifteen working days from the day when such demand is made, or such further period as may be allowed by the said officer or the audit party.

Officers to assist proper officers.

15. (*1*) All officers of police, railways, customs and those officers engaged in the collection of land revenue, including village officers, officers of the State Governments and Union territory Administrations shall assist the proper officer in the implementation of this Act.

(*2*) The Central Government may, by notification, empower and require any other class of officers to assist the proper officers in the implementation of this Act when called upon to do so.

Determination of cess not paid or short paid or erroneously refunded.

16. (*1*) Where it appears to the proper officer that any cess has not been paid or short paid or erroneously refunded, he shall serve notice on the taxable person chargeable with cess which has not been so paid or which has been so short paid or to whom the refund has erroneously been made due to any lapse on the part of the taxable person, requiring him to show cause as to why he should not pay the amount specified in the notice along with interest payable thereon under section 17 and a penalty leviable under the provisions of this Act or the rules made thereunder.

(*2*) No notice under sub-section (*1*) shall be issued, if the cess which has not been paid or short paid or erroneously refunded in a financial year is less than one thousand rupees.

(*3*) The proper officer shall issue the notice under sub-section (*1*) within a period of twenty-four months from the due date for furnishing of return for the month to which the cess not paid or short paid relates to or within a period of twenty-four months from the date of erroneous refund.

(*4*) Where a notice has been issued for any calendar month under sub-section (*1*), the proper officer may serve a statement, containing the details of cess not paid or short paid or erroneously refunded for such periods other than those covered under the said sub-section, on the taxable person chargeable with cess.

(*5*) The service of the statement referred to in sub-section (*4*) shall be deemed to be the service of notice on the taxable person under sub-section (*1*), subject to the condition that the grounds relied upon for such month other than those covered under sub-section (*1*) are the same as are mentioned in the earlier notice.

(*6*) In case of the cess which has not been paid or short paid or erroneously refunded, the penalty—

(*a*) for any reason, other than the reason of fraud or any wilful misstatement or suppression of facts to evade tax, shall be equivalent to ten per cent. of the cess due from such taxable person or ten thousand rupees, whichever is higher;

(*b*) for the reason of fraud or any wilful misstatement or suppression of facts to evade cess, shall be equivalent to the cess due from such person.

(*7*) The proper officer shall, after considering the representation, if any, made by the taxable person chargeable with cess, determine the amount of cess, interest and penalty due from such person and issue an order within a period of twelve months from the date of issuance of notice specified in sub-section (*4*).

(*8*) Where the proper officer referred to in sub-section (*7*) is not able to issue the order within the period specified in the said sub-section, another proper officer, not below the rank of Commissioner or an officer, not below the rank of a Joint Commissioner, authorised by him, may, having regard to the reasons to be recorded in writing for delay in issuance of the order under the said sub-section before the expiry of the specified period, extend the said period for a further period not exceeding six months.

(*9*) Where any cess has not been paid or short paid or erroneously refunded, other than the reason of fraud or any wilful misstatement or suppression of facts to evade cess, the taxable person chargeable with cess may,—

(*a*) before service of notice under sub-section (*1*), pay the amount of cess along with interest payable under section 17 of such cess on the basis of his own ascertainment of such cess or the cess as ascertained by the proper officer and inform the proper officer in writing of such payment, who shall, on receipt of such information, not serve any notice under sub-section (*1*) or the statement under sub-section (*4*), as the case may be, in respect of the cess so paid or any penalty payable under the provisions of this Act or the rules made thereunder;

(*b*) pay the said cess along with interest payable under section 17 within a period of sixty days from the date of receipt of show cause notice by him, and on doing so, no penalty shall be payable and all proceedings in respect of the said notice shall be deemed to be concluded.

(*10*) Where any cess has not been paid or short paid or erroneously refunded by reason of fraud, or any wilful misstatement or suppression of facts to evade cess, the taxable person chargeable with cess, may,—

(*a*) before service of notice under sub-section (*1*), pay the amount of cess along with interest payable under section 17 and a penalty equivalent to fifteen per cent. of such cess on the basis of his own ascertainment of such cess, or the cess as ascertained by the proper officer, and inform the proper officer in writing of such payment and the proper officer, on receipt of such information, shall not serve any notice under the said sub-section, in respect of the cess so paid or any penalty payable under the provisions of this Act or the rules made thereunder;

(*b*) pay the said cess along with interest payable under section 17 and a penalty equivalent to twenty-five per cent. of such cess within a period of sixty days from the date of receipt of the notice, and on doing so, all proceedings in respect of the said notice shall be deemed to be concluded;

(*c*) pay the cess along with interest payable thereon under section 17 and a penalty equivalent to fifty per cent. of such cess within a period of sixty days of the date of receipt of the order, and on doing so, all proceedings in respect of the said notice shall be deemed to be concluded.

(*11*) Where the proper officer is of the opinion that the amount paid under clause (*a*) of sub-section (*9*) or clause (*a*) of sub-section (*10*) falls short of the amount actually payable, he shall proceed to issue the notice as provided for in sub-section (*1*) in respect of such amount which falls short of the amount actually payable.

(*12*) Notwithstanding anything contained in clause (*a*) or clause (*b*) of sub-section (*9*), the penalty under clause (*a*) of sub-section (*6*) shall be payable, where any amount of self-assessed tax or any amount collected as cess has not been paid within a period of thirty days from the due date of payment of such cess.

Interest payable on delay in payment of cess.

17. (*1*) Every person who is liable to pay cess in accordance with the provisions of this Act or the rules made thereunder, but fails to pay the cess or any part thereof to the Central Government within the specified period, shall, for the period for which the cess or any part thereof remains unpaid, pay on his own, interest at the rate of fifteen per cent. per annum.

(*2*) The interest under sub-section (*1*) shall be calculated, in such manner as may be prescribed, from the day succeeding the day on which such tax was due to be paid.

CHAPTER VI

OFFENCES AND PENALTIES

Penalty for certain contraventions.

18. (*1*) Where a taxable person who—

(*a*) owns, operates or in control of any machine or process for the purpose of manufacture or production of the specified goods without declaring to the proper officer under this Act; or

(*b*) fails to pay the cess levied under section 4 beyond a period of three months from the date on which such payment becomes due under section 10; or

(*c*) fails to furnish returns as required under section 10 or falsifies or substitutes financial records or produces fake accounts or documents or furnishes any false information or declaration or return with an intention to evade payment of cess due under the said section; or

(*d*) fraudulently obtains refund of cess; or

(*e*) obstructs or prevents any officer in discharge of his duties under this Act; or

(*f*) is liable to be registered under this Act but fails to obtain registration; or

(*g*) fails to furnish information or documents called for by an officer in accordance with the provisions of this Act or the rules made thereunder, or furnishes false information or documents during any proceedings under this Act; or

(*h*) tampers with, or destroys any material evidence or document; or

(*i*) disposes of or tampers with any goods that have been seized under this Act,

the proper officer may, after making such inquiry as he deems fit, impose on such taxable person in addition to the cess leviable, a penalty of ten thousand rupees or an amount equivalent to the cess payable or cess sought to be evaded, or the refund claimed fraudulently, whichever is higher.

(*2*) Any person who aids or abets any of the contraventions specified in clauses (*a*) to (*i*) of sub-section (*1*) shall be liable to a penalty which may extend to one hundred thousand rupees.

(*3*) Any order imposing any such penalty shall be passed by the proper officer only after giving the taxable person a reasonable opportunity of being heard.

Punishment for certain contraventions.

19. (*1*) Whoever commits or causes to commit and retains any benefit arising out of contraventions specified in clause (*a*) or clause (*b*) or clause (*c*) or clause (*d*) of sub-section (*1*) of section 18 shall be punishable in cases where the amount of cess evaded or the amount of refund wrongly taken—

(*a*) exceeds five hundred lakh rupees, with imprisonment for a term which may extend to five years or with fine, or with both; or

(*b*) exceeds two hundred lakh rupees but does not exceed five hundred lakh rupees, with imprisonment for a term which may extend to three years or with fine, or with both; or

(*c*) exceeds one hundred lakh rupees but does not exceed two hundred lakh rupees, with imprisonment for a term which may extend to one year or with fine, or with both.

(*2*) Whoever commits or causes to commit and retains any benefit arising out of contraventions specified in clause (*f*) or clause (*i*) of sub-section (*1*) of section 18, or abets the commission of an offence specified in the said sub-section, shall be punishable with imprisonment for a term which may extend to six months or with fine, or with both.

(*3*) Whoever, convicted for an offence under this section is again convicted for an offence under this section, he shall be punishable for the second and for every subsequent offence with imprisonment for a term which may extend to five years or with fine, or with both.

(*4*) The Court may, for special and adequate reasons to be recorded in the judgment, sentence any person to imprisonment under sub-section (*1*) or sub-section (*3*), for a term less than six months.

46 of 2023.

(*5*) Notwithstanding anything contained in the Bharatiya Nagarik Suraksha Sanhita, 2023, all offences under this Act, except the offences referred to in sub-section (*6*) shall be non-cognizable and bailable.

(*6*) The offences specified in clause (*a*) or clause (*b*) or clause (*c*) or clause (*d*) of sub-section (*1*) of section 18 shall be cognizable and non-bailable.

(*7*) No person shall be prosecuted for any offence under this section except with the previous sanction of the proper officer, not below the rank of Commissioner.

Offences by companies.

20. (*1*) Where an offence committed by a person under this Act is a company, every person who, at the time the offence was committed was in charge of, and was responsible to, the company for the conduct of business of the company, as well as the company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly.

(*2*) Notwithstanding anything contained in sub-section (*1*), where an offence under this Act has been committed by a company and it is proved that the offence has been committed with the consent or connivance of, or is attributable to any negligence on the part of, any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall also be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

(*3*) Where an offence under this Act has been committed by a taxable person being a partnership firm or a limited liability partnership or a Hindu undivided family or a trust, the partner or *karta* or managing trustee shall be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly and the provisions of sub-section (*2*) shall, *mutatis mutandis*, apply to such persons.

(*4*) Nothing contained in this section shall render any such person liable to any punishment provided in this Act, if he proves that the offence was committed without his knowledge or that he had exercised all due diligence to prevent the commission of such offence.

Explanation.—For the purposes of this section,—

(*a*) "company" means a body corporate and includes a firm or other association of individuals; and

(*b*) "director", in relation to a firm, means a partner in the firm.

Cognizance of offences.

21. No Court shall take cognizance of any offence punishable under this Act or the rules made thereunder except with the previous sanction of the proper officer, not below the rank of Commissioner, and no court inferior to that of a Magistrate of the first class, shall try any such offence.

Presumption of culpable mental state.

22. In any prosecution for an offence under this Act which requires a culpable mental state on the part of the accused, the Court shall presume the existence of such mental state but it shall be a defence for the accused to prove the fact that he had no such mental state with respect to the act charged as an offence in that prosecution.

Explanation.—For the purposes of this section,—

(*a*) the expression "culpable mental state" includes intention, motive, knowledge of a fact, and belief in, or reason to believe, a fact;

(*b*) a fact is said to be proved only when the court believes it to exist beyond reasonable doubt and not merely when its existence is established by a preponderance of probability.

Compounding of offences.

23. (*1*) Notwithstanding anything contained in the Bharatiya Nagarik Suraksha Sanhita, 2023, any offence under this Act, not being an offence punishable with imprisonment only, or with imprisonment and also with fine, may, either before or after the institution of prosecution, be compounded by a proper officer, not below the rank of Commissioner, on payment, by the person accused of the offence, to the Central Government of such compounding amount in such manner as may be prescribed. 46 of 2023.

(*2*) The option of compounding shall not be available to a person—

(*a*) who has been allowed to compound once in respect of any of the offences specified in clauses (*a*) to (*f*) of sub-section (*1*) of section 18 and the offences which are relatable to the said specified offences;

(*b*) who has been allowed to compound once in respect of any offence, other than those in clause (*a*), under this Act, the cess exceeding one crore rupees;

(*c*) a person who has been accused of committing an offence under this Act which is also an offence under any other law for the time being in force;

(*d*) a person who has been convicted for an offence under this Act by a Court; and

(*e*) any other class of persons or offences, as may be prescribed.

(*3*) Any compounding shall be allowed only after making payment of cess, interest and penalty involved in such offences and shall not affect the proceedings, if any, instituted under any other law for the time being in force.

(*4*) The amount for compounding of offences under this section shall be such, as may be prescribed, subject to the minimum amount not being less than ten thousand rupees or fifty per cent. of the cess involved, whichever is higher, and the maximum amount not being less than thirty thousand rupees or one hundred and fifty per cent. of the cess, whichever is higher.

(*5*) On payment of such compounding amount as may be determined by the proper officer, no further proceedings shall be initiated under this Act against the accused person in respect of the same offence and any criminal proceedings, if already initiated in respect of the said offence, shall stand abated.

CHAPTER VII

INSPECTION, SEARCH AND SEIZURE

Power of inspection, search and seizure.

24. (*1*) Where the proper officer, not below the rank of Joint Commissioner, has reasons to believe that any taxable person is manufacturing or producing the specified goods without complying with the provisions of this Act or the rules made thereunder, he may authorise, in writing, any officer not below the rank of Assistant Commissioner subordinate to him to inspect any places of business of the taxable person or warehouse or godown, where the specified goods so manufactured or produced are stored.

(*2*) Where the proper officer referred to in sub-section (*1*), either pursuant to an inspection carried out under sub-section (*1*) or otherwise, has reasons to believe that the specified goods or machines liable to confiscation or any documents or books or things, which in his opinion, shall be useful for or relevant to any proceedings under this Act, are secreted in any place, he may authorise, in writing, any other proper officer to search and seize, or may himself search and seize such goods, machines, documents or books or things.

(*3*) Where it is not practicable to seize any such goods or machine, the proper officer, or any officer authorised by him, may serve on the owner or the custodian of such goods an order that he shall not remove, part with, or otherwise deal with such goods except with the previous permission of such officer.

(*4*) The documents or books or things so seized shall be retained by such officer only for so long as may be necessary for their examination and for any inquiry or proceedings under this Act.

(*5*) The documents, books or things referred to in sub-section (*2*) or any other documents, books or things produced by a taxable person or any other person, which have not been relied upon for the issue of notice under this Act or the rules made thereunder, shall be returned to such person within a period not exceeding thirty days of the issue of the said notice.

(*6*) The officer authorised under sub-section (*2*) shall have the power to seal or break open the door of any factory or to break open any almirah, electronic device, box, receptacle in which the specified goods, accounts, registers or documents of the person are suspected to be concealed, where access to such factory, almirah, electronic devices, box or receptacle is denied.

(*7*) The person from whose custody any documents are seized under sub-section (*2*) shall be entitled to make copies thereof or take extracts therefrom in the presence of an authorised officer at such place and time as such officer may indicate in this behalf except where making such copies or taking such extracts may, in the opinion of the proper officer, prejudicially affect the investigation.

(*8*) The goods or machines so seized under sub-section (*2*) shall be released, on a provisional basis, upon execution of a bond and furnishing of a security, in such manner and of such quantum, respectively, as may be prescribed, or on payment of applicable cess, interest and penalty payable, as the case may be.

(*9*) Where any goods or machines are seized under sub-section (*2*) and no notice in respect thereof is given within six months of the seizure of such goods, such goods shall be returned to the person from whose possession they were seized.

(*10*) The period of six months specified in sub-section (*7*) may, on sufficient cause being shown, be extended by the proper officer for a further period not exceeding six months.

(*11*) The proper officer may, with the prior permission of the Board, having regard to the perishable nature of the specified goods, depreciation in its value or machines with the passage of time, constraints of storage space for such goods or machines or any other relevant considerations, may, as soon as may be after its seizure under sub-section (*2*), dispose of such goods or machines in such manner as may be prescribed.

(*12*) Where the specified goods or machines, being items specified under sub-section (*11*), have been seized by a proper officer, or any officer authorised by him under sub-section (*2*), he shall prepare an inventory of such goods or machines in such manner as may be prescribed.

(*13*) The provisions of the Bharatiya Nagarik Suraksha Sanhita, 2023, relating to search and seizure, shall, so far as may be, apply to search and seizure under this section subject to the modification that sub-section (*5*) of section 185 of the said Sanhita shall have effect as if for the word "Magistrate", wherever it occurs, the word "Commissioner" were substituted. 46 of 2023.

(*14*) Where the proper officer has reasons to believe that any person has evaded or is attempting to evade the payment of any cess, he may, for reasons to be recorded in writing, seize the accounts, registers or documents of such person produced before him and shall grant a receipt for the same, and shall retain the same for so long as may be necessary in connection with any proceedings under this Act or the rules made thereunder for prosecution.

Confiscation of specified goods or machines.

25. (*1*) Where any taxable person—

(*a*) owns, operates or controls any machine installed or undertakes any process for the manufacture or production of the specified goods in contravention of any of the provisions of this Act or the rules made thereunder with intent to evade payment of cess; or

(*b*) contravenes any of the provisions of this Act or the rules made thereunder with intent to evade payment of cess; or

then, all such goods or machines shall be liable to confiscation and the person shall be liable to penalty under section 18.

(*2*) Whenever confiscation of any such goods or machines are authorised by this Act, the officer adjudging it shall give to the owner of such goods or machines an option to pay *in lieu* of confiscation, such penalty as specified under sub-section (*3*) as the said officer thinks fit.

(*3*) The penalty leviable under sub-section (*2*) shall not exceed the market value of the specified goods or the machines confiscated, less the cess chargeable thereon.

(*4*) The aggregate of penalty under sub-section (*2*) and penalty leviable shall not be less than the penalty equal to two hundred per cent. of the cess payable on such goods.

(*5*) No order for confiscation of the specified goods or machines for imposition of penalty shall be issued without giving the person a reasonable opportunity of being heard.

(*6*) Where the specified goods or machines are confiscated under this Act, the title of such goods or machines shall thereupon vest in the Central Government.

(*7*) The proper officer who confiscates any goods or machine under this section shall take and hold possession of the things confiscated and every officer of police, on the requisition of such proper officer, shall assist him in taking and holding such possession.

(*8*) The proper officer may, after satisfying himself that the confiscated goods or machines are not required in any other proceedings under this Act and after giving reasonable time not exceeding a period of three months to pay the fine *in lieu* of such confiscation, dispose of such goods or conveyance and deposit the sale proceeds thereof with the Central Government.

Power to arrest.

26. (*1*) Where a proper officer, not below the rank of Commissioner, has reasons to believe that a person has committed any offence specified in clause (*a*) or clause (*b*) or clause (*c*) or clause (*d*) of sub-section (*1*) of section 18 which is punishable under the said sub-section or sub-section (*3*) of the said section, he may, by order, authorise any other proper officer below him to arrest such person.

(*2*) Where a person is arrested under sub-section (*1*) for an offence specified under sub-section (*5*) of section 19, the officer authorised to arrest the person shall inform such person of the grounds of arrest and produce him before a Magistrate within twenty-four hours.

(*3*) Subject to the provisions of the Bharatiya Nagarik Suraksha Sanhita, 2023,— 46 of 2023.

(*a*) where a person is arrested under sub-section (*1*) for any offence specified under sub-section (*5*) of section 19, he shall be admitted to bail or in default of bail, be forwarded to the custody of the Magistrate;

(*b*) in the case of a non-cognizable and bailable offence, the proper officer not below the rank of Assistant Commissioner shall, for the purpose of releasing an arrested person on bail or otherwise, have the same powers and be subject to the same provisions as an officer-in-charge of a police station.

Recovery of amount due and assistance of officers.

27. (*1*) Any amount due under this Act (including any interest or penalty) from any taxable person may be recovered in the same manner as an arrear of land revenue.

(*2*) All officers of police, central tax and customs and all officers of the Central Government and the State Government engaged in the collection of land revenue, and all village officers are hereby empowered and required to assist the proper officer in the execution of this Act.

CHAPTER VIII

REVISION AND APPEALS

Revision.

28. (*1*) The revisional authority, not below the rank of a Commissioner, authorised in this behalf, by an order of the Board, may, on his own motion, or upon information received by him, call for and examine the record of any proceedings, and if he considers that any order passed under this Act by any officer subordinate to him is erroneous in so far as it is prejudicial to the interest of revenue, or is illegal or improper, or has not taken into account certain material facts, whether available at the time of issuance of the said order or not, or in consequence of an observation by the Comptroller and Auditor-General of India, he may, if necessary, stay the operation of such order for such period as he deems fit and after giving the person concerned an opportunity of being heard and after making such further inquiry as may be necessary, pass such order, as he thinks just and proper, including enhancing or modifying or annulling the said order.

(*2*) The revisional authority shall not exercise any power under sub-section (*1*), if—

(*a*) the order has been subject to an appeal under section 29 or section 30; or

(*b*) the period specified under sub-section (*1*) of section 29 has not yet expired or more than two years have expired after the passing of the order sought to be revised; or

(*c*) the order has already been taken up for revision under this section at an earlier stage; or

(*d*) the order was passed in exercise of the powers under sub-section (*1*).

(*3*) The revisional authority may pass an order under sub-section (*1*) on any point which has not been raised and decided in an appeal referred to in clause (*a*) of sub-section (*2*), before the expiry of a period of one year from the date of the order in such appeal or before the expiry of a period of two years referred to in clause (*b*) of that sub-section, whichever is later.

(*4*) Every order passed in a revision under sub-section (*1*) shall, subject to the provisions of section 30 or section 32 or section 33, be final and binding on the parties.

(*5*) If the order subject to revision under sub-section (*1*) involves an issue on which the Appellate Tribunal or the High Court has given its decision in some other proceedings and an appeal to the High Court or the Supreme Court against such decision of the Appellate Tribunal or the High Court is pending, the period spent between the date of the decision of the Appellate Tribunal and the date of the decision of the High Court, or the date of the decision of the High Court and the date of the decision of the Supreme Court, shall be excluded in computing the period of limitation referred to in clause (*b*) of sub-section (*2*) where proceedings for revision have been initiated by way of issue of a notice under this section.

(*6*) Where the issuance of an order under sub-section (*1*) is stayed by the order of a Court or Appellate Tribunal, the period of such stay shall be excluded in computing the period of limitation referred to in clause (*b*) of sub-section (*2*).

(*7*) For the purposes of this section, the expression "record" shall include all records relating to any proceedings under this Act available at the time of examination by the revisional authority.

Appeals to appellate authority.

29. (*1*) Any taxable person aggrieved by any order of the adjudicating authority may, within a period of three months from the date of receipt of the order appealed against by such person, appeal to such appellate authority, not below the rank of a Commissioner, authorised in this behalf, by an order of the Board, in such form and manner, as may be prescribed.

(*2*) The proper officer, not below the rank of Commissioner, may on his own motion, call for and examine the record of any proceedings in which an adjudicating authority has passed any order under this Act, for the purpose of satisfying himself as to the legality or propriety of the such order and may, by order, direct any officer subordinate to him to apply to the appellate authority within six months from the date of communication of the order of the adjudicating authority for the determination of such points arising out of the said decision or order as may be specified by such proper officer in his order.

(*3*) Where, in pursuance of an order under sub-section (*2*), the authorised officer makes an application to the appellate authority, such application shall be dealt with by the appellate authority as if it were an appeal made against the decision or order of the adjudicating authority and such authorised officer were an appellant and the provisions of this Act relating to appeals shall apply to such application.

(*4*) Every appeal under this section shall be verified in such manner, as may be prescribed.

(*5*) No appeal shall be filed under sub-section (*1*), unless the appellant has paid—

(*a*) in full, such part of the amount of cess, interest, fine, fee and penalty arising from the impugned order, as is admitted by him; and

(*b*) a sum equal to ten per cent. of the remaining amount of cess in dispute arising from the said order, subject to a maximum of twenty-five crore rupees, in relation to which the appeal has been filed.

(*6*) Where the appellant has paid the amount under sub-section (*5*), the recovery proceedings for the balance amount shall be deemed to be stayed.

(*7*) The appellate authority shall give the appellant a reasonable opportunity of being heard.

(*8*) The appellate authority may, if sufficient cause is shown at any stage of hearing of an appeal, grant time to the parties or any of them and adjourn the hearing of the appeal for reasons to be recorded in writing.

(*9*) After the receipt of any appeal under this section, the appellate authority shall, after giving the appellant a reasonable opportunity of being heard in the matter and after making such further inquiry as may be necessary, pass such order, as he thinks just and proper, confirming, modifying or annulling the order appealed against but shall not refer the case back to the adjudicating authority that passed the said order.

(*10*) The order of the appellate authority disposing of the appeal shall be in writing and shall state the points for determination, the decision thereon and the reasons for such decision.

(*11*) The appellate authority shall, where it is possible to do so, hear and decide every appeal within a period of six months from the date on which it is filed.

Appeals to Appellate Tribunal.

30. (*1*) Any person aggrieved by an order of the appellate authority or revisional authority, may appeal to the Appellate Tribunal against such order in such form and manner, as may be prescribed, within a period of three months from the date of receipt of such order sought to be appealed against by him or by the proper officer, or, as the case may be.

(*2*) The Appellate Tribunal may, after giving the parties to the appeal an opportunity of being heard, pass such orders thereon as it thinks fit, confirming, modifying or annulling the order appealed against, or may refer the case back to the proper officer who passed such order with such directions as it may think fit, for a fresh adjudication, after taking additional evidence, if necessary.

(*3*) The Appellate Tribunal may, at any time within a period of six months from the date of such order, with a view to rectify any mistake or error apparent on the face of the record or for any other sufficient reason, amend any order passed by it under sub-section (*1*) and shall make such amendments if the mistake is brought to its notice by the proper officer or the other party to the appeal.

(*4*) An amendment made under sub-section (*3*) which has the effect of enhancing an assessment or reducing a refund, or otherwise increasing the liability of the other party, shall not be made under this sub-section, unless the Appellate Tribunal has given notice to him of its intention to do so and has allowed him a reasonable opportunity of being heard.

(*5*) The Appellate Tribunal shall, where it is possible to do so, hear and decide every appeal within a period of three years from the date on which such appeal is filed.

(*6*) The Appellate Tribunal shall send a copy of every order passed under this section to the proper officer and the other party to the appeal.

(*7*) The provisions of sub-sections (*1*), (*2*), (*5*) and (*6*) of section 129C of the Customs Act, 1962, shall apply to the Appellate Tribunal in the discharge of its functions under this Act as they apply to it in the discharge of its functions under the Customs Act, 1962. 52 of 1962.

(*8*) The President or any other member of the Appellate Tribunal authorised in this behalf by the President may, sitting singly, dispose of any case which has been allotted to the Bench of which he is a member, where the amount of cess or fine or penalty involved, does not exceed fifty lakh rupees.

Appearance by authorised representative.

31. (*1*) Any person who is entitled or required to appear before an adjudicating authority or a revisional authority or the Appellate Tribunal in connection with any proceedings under this Act, otherwise than when required under this Act to appear personally for examination on oath or affirmation, may, subject to the other provisions of this section, appear by an authorised representative.

(*2*) For the purposes of this section, "authorised representative" means a person authorised by the person referred to in sub-section (*1*) to appear on his behalf, being—

(*a*) his relative or regular employee; or

(*b*) any legal practitioner who is entitled to practise in any Civil Court in India; or

(*c*) any person who has acquired such qualifications, as may be prescribed, for this purpose.

Appeal to High Court.

32. (*1*) Any person aggrieved by an order passed by the Appellate Tribunal may file an appeal to the High Court and the High Court may admit such appeal, if it is satisfied that the case involves a substantial question of law.

(*2*) An appeal under sub-section (*1*) shall be filed within a period of one hundred and eighty days from the date of receipt of the order appealed against by the aggrieved person and it shall be in such form and verified in such manner, as may be prescribed.

(*3*) Irrespective of sub-section (*2*), the High Court may entertain an appeal after the expiry of the period specified in the said sub-section, if it is satisfied that there was sufficient cause for not filing the appeal within such period.

(*4*) Where the High Court is satisfied that a substantial question of law is involved in any case, it shall formulate that question and the appeal shall be heard only on the question so formulated, and the respondents shall, at the hearing of the appeal, be allowed to argue that the case does not involve such question.

(*5*) The High Court may, for reasons to be recorded in writing, hear the appeal on any other substantial question of law not formulated by it, if it is satisfied that the case involves such question.

(*6*) The High Court shall decide the question of law so formulated and deliver such judgment thereon containing the grounds on which such decision is founded and may award such cost as it deems fit.

(*7*) The High Court may determine any issue, which—

(*a*) has not been determined by the Appellate Tribunal; or

(*b*) has been wrongly determined by the Appellate Tribunal, by reason of a decision on such question of law referred to in sub-section (*4*).

(*8*) Where an appeal has been filed before the High Court, it shall be heard by a Bench of not less than two Judges of the High Court, and shall be decided in accordance with the opinion of such Judges or of the majority, if any, of such Judges.

(*9*) Where the High Court delivers a judgment in an appeal filed before it under this section, effect shall be given to such judgment by either side on the basis of a certified copy of the judgment.

(*10*) Save as otherwise provided in this Act, the provisions of the Code of Civil Procedure, 1908, relating to appeals to the High Court shall, as far as may be, apply in the case of appeals under this section. 5 of 1908.

Appeals to Supreme Court.

33. (*1*) An appeal shall lie to the Supreme Court—

(*a*) from any order passed by the High Court; or

(*b*) from any judgment or order passed by the High Court in an appeal made under section 32 in any case which, on its own motion or on an application made by or on behalf of the party aggrieved, immediately after passing of the judgment or order, the High Court certifies to be a fit one for appeal to the Supreme Court.

(*2*) The provisions of the Code of Civil Procedure, 1908, relating to appeals to the Supreme Court shall, so far as may be, apply in the case of appeals under this section as they apply in the case of appeals from decrees of a High Court. 5 of 1908.

(*3*) Where the judgment of the High Court is varied or reversed in the appeal, effect shall be given to the order of the Supreme Court by either side on the basis of a certified copy of the said order.

CHAPTER IX

MISCELLANEOUS

Power of Central Government to amend Schedule I.

34. (*1*) The Central Government may, if it is of the opinion that it is expedient or necessary in the public interest so to do, by notification, add to Schedule I any goods and on any such notification being issued, the said Schedule shall be deemed to be amended accordingly.

(*2*) Every notification issued under sub-section (*1*) shall, as soon as possible after it is issued, be laid before each House of Parliament.

Power to make rules.

35. (*1*) The Central Government shall, by notification, make rules for carrying out the provisions of this Act.

(*2*) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

(*a*) the abatement or other conditions subject to which the cess determined shall be payable under sub-section (*6*) of section 5;

(*b*) the conditions subject to which the cess shall be abated due to non-operation under sub-section (*7*) of section 5;

(*c*) the activities, schemes and programmes for national defence and security or public health for which the cess may be utilised under sub-section (*3*) of section 7;

(*d*) the form and manner of registration by a taxable person with the jurisdictional proper officer under sub-section (*1*) of section 8;

(*e*) the manner and the period within which the proper officer may cancel a registration under sub-section (*2*) of section 8;

(*f*) the form, manner and conditions subject to which taxable person may apply for revocation of cancellation of registration and the manner and the period within which the proper officer may decide upon the application for revocation of cancellation of registration under sub-section (*5*) of section 8;

(*g*) the form, manner and period within which self-declaration shall be furnished by the taxable person and the other technical or operational particulars to be contained in the said declaration under sub-section (*1*) of section 9;

(*h*) the period, form and manner for furnishing a revised declaration, for any change in the relevant parameters, by the taxable person under sub-section (*2*) of section 9;

(*i*) the form, manner and period within which the proper officer shall do the calibration, verification or confirmation of the declaration filed by the taxable person under sub-section (*4*) of section 9;

(*j*) the oversight, monitoring or verification mechanism to be complied with by the taxable person under sub-section (*6*) of section 9;

(*k*) the manner for collection of cess from taxable person under sub-section (*1*), and the form, manner, the period within which and the conditions and restrictions subject to which return shall be furnished by the taxable person under sub-section (*2*), of section 10;

(*l*) the form and manner of rectification of omission or incorrect particulars filled in the return by a taxable person under sub-section (*4*) of section 10;

(*m*) the form and manner of the notice issued by the proper officer to a taxable person who fails to furnish the return within the specified time under sub-section (*5*) of section 10;

(*n*) the manner of information to the taxable person of the discrepancies noticed in his return by the proper officer under sub-section (*1*) of section 11;

(*o*) the period, frequency and manner of audit to be undertaken by the proper officer under sub-section (*1*), and the manner in which the taxable person shall be informed of the said audit under sub-section (*3*), of section 12;

(*p*) the manner of declaration of preparation or maintenance of records to the proper officer by the taxable person under clause (*a*) of sub-section (*2*) of section 14;

(*q*) the manner of calculation of interest under sub-section (*2*) of section 17;

(*r*) the manner of compounding of offences by the proper officer under sub-section (*1*), and the offences or class of persons to whom compounding shall not be available under clause (*e*) of sub-section (*2*), of section 23;

(*s*) the amount for compounding of offences under sub-section (*4*) of section 23;

(*t*) the manner and quantum for execution of bonds or furnishing of security for release of seized goods or machines on provisional basis under sub-section (*8*) of section 24;

(*u*) the manner of disposal of goods or machines seized by the proper officer under sub-section (*11*), and the manner of preparation of inventory of the seized goods under sub-section (*12*), of section 24;

(*v*) the form and manner of preferring appeal to the appellate authority under sub-section (*1*), and the manner of verification of such appeal under sub-section (*4*), of section 29;

(*w*) the form and manner of preferring appeal to the Appellate Tribunal under sub-section (*1*) of section 30;

(*x*) the qualifications for a person for becoming an authorised representative under clause (*c*) of sub-section (*2*) of section 31;

(*y*) the form for appeals preferred by the aggrieved person before the High Court and the manner of verification of such appeal under sub-section (*2*) of section 32;

(*z*) any other matter which is to be or in respect of which provision is to be made, by rules for carrying out the provisions of this Act.

Laying before Parliament.

36. Every rule made and every notification issued under this Act shall be laid, as soon as may be after it is made or issued, before each House of Parliament while it is in session for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in such rule or notification, or both Houses agree that the rule should not be made or notification should not be issued, the rule or notification shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule or notification.

Effect of amendments, etc., of rules, notifications or orders.

37. Where any rule, notification or order made or issued under this Act or any notification or order issued under such rule, is amended, repealed, superseded or rescinded, then, unless a different intention appears, such amendment, repeal, supersession or rescinding shall not—

(*a*) revive anything not in force or existing at the time at which the amendment, repeal, supersession or rescinding takes effect; or

(*b*) affect the previous operation of any rule, notification or order so amended, repealed, superseded or rescinded or anything duly done or suffered thereunder; or

(*c*) affect any right, privilege, obligation or liability acquired, accrued or incurred under any rule, notification or order so amended, repealed, superseded or rescinded; or

(*d*) affect any penalty, forfeiture or punishment incurred in respect of any offence committed under or in violation of any rule, notification or order so amended, repealed, superseded or rescinded; or

(*e*) affect any investigation, legal proceeding or remedy in respect of any such right, privilege, obligation, liability, penalty, forfeiture or punishment as aforesaid,

and any such investigation, legal proceeding or remedy may be instituted, continued or enforced and any such penalty, forfeiture or punishment may be imposed as if the rule, notification or order, as the case may be, had not been amended, repealed, superseded or rescinded.

Protection of action taken in good faith.

38. (*1*) No suit, prosecution or other legal proceeding shall lie against the Central Government or any officer of the Central Government for anything which is in good faith done or intended to be done, in pursuance of this Act or any rule made thereunder.

(*2*) No proceeding, other than a suit, shall be commenced against the Central Government or any officer of the Central Government for anything done or purported to have been done in pursuance of this Act or any rule made thereunder, without giving the Central Government or such officer a month's previous notice in writing of the intended proceeding and of the cause thereof or after the expiration of three months from the accrual of such cause.

Power to remove difficulties.

39. (*1*) If any difficulty arises in giving effect to the provisions of this Act, the Central Government may, by order published in the Official Gazette, make such provisions, not inconsistent with the provisions of this Act, as appear to it to be necessary or expedient for removing the difficulty.

(*2*) No order shall be made under this section after the expiry of five years from the commencement of this Act.

(*3*) Every order made under this section shall, as soon as may be after it is made, be laid before each House of Parliament.

SCHEDULE I

[*See* sections 2(*o*) and (*p*) and 4(*1*)]

Sl. No.	Chapter / Heading / Sub-heading / Tariff item	Description of Goods
(1)	(2)	(3)
1.	2106 90 20	Pan masala
2.	Any other goods which may be notified	

Explanation.—

(*1*) In this Schedule, reference to a "tariff item", "heading", "sub-heading" and "Chapter", wherever they occur, shall mean respectively a tariff item, heading, sub-heading and Chapter in the First Schedule to the Customs Tariff Act, 1975 (51 of 1975).

(*2*) The rules for the interpretation of the First Schedule to the Customs Tariff Act, 1975 (51 of 1975), the section and Chapter Notes and the General Explanatory Notes of the First Schedule shall, so far as may be, apply to the interpretation of this Schedule.

SCHEDULE II

[*See* sections 2(*o*), 4(*1*), 5 and 6]

TABLE 1

Applicable to wholly or partly machine-based process

Sl. No.	Number of pouches or tins or containers per minute (Maximum rated speed of machine)	Weight of the specified goods per pouch or tin or container	Amount of cess per month per machine (rupees in lakhs)
(1)	(2)	(3)	(4)
1.	Up to 500	Up to 2.5 grams	101.00
		Above 2.5 grams but below 10 grams	364.00
		Above 10 grams	849.00
2.	501 to 1000	Up to 2.5 grams	202.00
		Above 2.5 grams but below 10 grams	728.00
		Above 10 grams	1698.00
3.	1001 to 1500	Up to 2.5 grams	303.00
		Above 2.5 grams but below 10 grams	1092.00
		Above 10 grams	2547
4.	Above 1500	Up to 2.5 grams	101 x S/450
		Above 2.5 grams but below 10 grams	364 x S/450
		Above 10 grams	849 x S/450

TABLE 2

Applicable to wholly manual process

Sl. No.	Speed or capacity of process	Weight of the specified goods per pouch or tin or container	Amount of cess per month (rupees in lakhs)
(1)	(2)	(3)	(4)
1.	Any	Any	11

Notes:

(*1*) For the purposes of this Schedule, in Table 1 in column (4) of the table above, the term "S" represents maximum rated capacity of a machine.

(*2*) For the purposes of this Schedule, where a packing machine contains multiple tracks or multiple packing lines and, in addition to packing the specified goods in pouches, performs any supplementary processes such as moulding, shaping or otherwise giving a definite form to the pouches for brand distinction or for prevention of counterfeiting, two such tracks or lines shall be deemed to constitute one individual packing machine for the purpose of calculating the cess liability.

(*3*) The number of packing machines to be taken into account for computation of the cess specified in this Schedule shall be determined in accordance with the rules prescribed by the Central Government.

———

DR. RAJIV MANI,
Secretary to the Govt. of India.

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ಮತ್ತು ಅವರ ಹೆಸರಿನಲ್ಲಿ

(ಅಫೀಫಾ ಉಸ್ಮಾನಿ)
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ಶಾಸನ ರಚನೆ ಇಲಾಖೆ

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भारत का राजपत्र
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इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके।
Separate paging is given to this Part in order that it may be filed as a separate compilation.

MINISTRY OF LAW AND JUSTICE
(Legislative Department)

New Delhi, the 21*st December,* 2025*/Agrahayana* 30, 1947 *(Saka)*

The following Act of Parliament received the assent of the President on the 20th December, 2025 and is hereby published for general information:—

THE VIKSIT BHARAT—GUARANTEE FOR ROZGAR AND AJEEVIKA MISSION (GRAMIN): VB—G RAM G (विकसित भारत—जी राम जी) ACT, 2025

No. 36 OF 2025

[20*th December,* 2025.]

An Act to establish a rural development framework aligned with the national vision of Viksit Bharat @2047, by providing a statutory guarantee of one hundred and twenty-five days of wage employment in every financial year to every rural household whose adult members volunteer to undertake unskilled manual work; to promote empowerment, growth, convergence and saturation for a prosperous and resilient rural Bharat; and for matters connected therewith or incidental thereto.

WHEREAS to align the rural development framework with the national vision of Viksit Bharat @2047 by providing an enhanced statutory wage employment guarantee of one hundred and twenty-five days in each financial year to such rural households whose adult members volunteer to undertake unskilled manual work, thereby enabling them to participate more effectively in the expanded livelihood security framework;

AND WHEREAS to focus on empowerment, growth, convergence and saturation through public works aggregating into forming Viksit Bharat National Rural Infrastructure Stack, with a thematic focus on water security through water-related works, core rural infrastructure, livelihood-related infrastructure and special works to mitigate extreme weather events;

AND WHEREAS to facilitate adequate farm-labour availability during peak agricultural seasons, and, in view of the wage employment guarantee for the rural workforce;

AND WHEREAS to institutionalise convergence, saturation-driven planning and whole of government delivery through Viksit Gram Panchayat Plans, integrated with the PM Gati Shakti to address the varying needs of Gram Panchayats, and powered by geospatial systems, digital public infrastructure, District and State planning mechanisms, with such plans aggregated at the Block, District, State and National levels;

AND WHEREAS to modernise governance, accountability and citizen engagement through a comprehensive digital ecosystem, including biometric authentication at various levels, global positioning system or mobile based worksite monitoring, real-time management information system dashboards, proactive public disclosures, and use of Artificial Intelligence for planning, audits and fraud-risk mitigation.

BE it enacted by Parliament in the Seventy-sixth Year of the Republic of India as follows:—

CHAPTER I

PRELIMINARY

Short title and commencement.

1. (*1*) This Act may be called the Viksit Bharat—Guarantee for Rozgar and Ajeevika Mission (Gramin): VB—G RAM G (विकसित भारत—जी राम जी) Act, 2025.

(*2*) It shall come into force on such date as the Central Government may, by notification, appoint:

Provided that the different dates may be appointed for different States or for different areas in a State and any reference in any such provision to the commencement of this Act shall be construed as a reference to the coming into force of that provision in such State or, as the case may be, in such area.

Definitions.

2. In this Act, unless the context otherwise requires,—

(*a*) "adult" means a person who has completed the eighteenth year of age;

(*b*) "applicant" means the head of a household or any of its other adult members who has applied for employment under the Scheme;

(*c*) "Block" means a community development area within a district comprising a group of Gram Panchayats;

(*d*) "Central Council" means the Central Gramin Rozgar Guarantee Council constituted under section 12;

(*e*) "Centrally Sponsored Scheme" means a scheme in which the Central Government provides full or partial financial assistance and the State Governments undertake its implementation;

(*f*) "District Programme Coordinator" means an officer of the State Government designated as such officer under sub-section (*1*) of section 17 for the implementation of the Scheme in a district;

(*g*) "household" means the members of a family related to each other by blood, marriage or adoption and normally residing together and sharing meals or holding a common ration card;

(*h*) "implementing agency" includes any department of the Central Government or a State Government, a Zila Parishad, Panchayat at intermediate level, Gram Panchayat or any local authority or the Government undertaking, to undertake the implementation of any work taken up under the Scheme;

(*i*) "intermediate level" means a level between the village and district levels as specified under clause (*c*) of article 243 to the Constitution of India;

(*j*) "National Level Steering Committee" means a steering committee constituted by the Central Government under sub-section (*1*) of section 14;

(*k*) "normative allocation" means the allocation of the fund made by the Central Government to the State;

(*l*) "notification" means a notification published in the Official Gazette and the term "notify" or "notified", shall be construed accordingly;

(*m*) "prescribed" means prescribed by rules made under this Act;

(*n*) "Programme Officer" means an officer appointed under sub-section (*1*) of section 18;

(*o*) "rural area" means any area in a State except those areas covered by any urban local body or a Cantonment Board established or constituted under any law for the time being in force;

(*p*) "Schedule" means Schedules appended to this Act;

(*q*) "Scheme" means the Scheme notified by the State Government under sub-section (*1*) of section 3;

(*r*) "State" means a State specified in the First Schedule to the Constitution and includes a Union territory;

(*s*) "State Council" means the State Gramin Rozgar Guarantee Council constituted under sub-section (*1*) of section 13;

(*t*) "State Level Steering Committee" means a steering committee constituted under sub-section (*1*) of section 15;

(*u*) "unskilled manual work" means any physical work which any adult person is capable of doing without any skill or special training;

(*v*) "Viksit Bharat National Rural Infrastructure Stack" means the consolidated aggregation comprising proposed works emerging from the Viksit Gram Panchayat Plans aggregated at the District and State levels, and aligned with the four thematic domains of works specified in Schedule I;

(*w*) "Viksit Gram Panchayat Plan" means a future-ready, convergence-based local development plan aligned with the vision of Viksit Bharat @2047, formulated by the Gram Panchayat through a participatory and evidence-based process, and serving as the basis for identification and prioritisation of works under this Act, as provided in sub-section (*3*) of section 4;

(*x*) "wage rate" means the wage rate referred to in section 10;

(*y*) "work" means any work undertaken or executed under the Scheme.

CHAPTER II

IMPLEMENTATION FRAMEWORK

State Government implementation framework for Scheme.

3. (*1*) The State Government, shall within six months from the date of commencement of this Act, by notification, make a Scheme consistent with the provisions of this Act and the features provided therein.

(*2*) The Scheme made under sub-section (*1*) shall be implemented as a Centrally Sponsored Scheme, under which the financial liability shall be shared between the Central Government and the State Government in accordance with the fund sharing pattern provided under sub-section (*2*) of section 22 of this Act, including enhanced share of the Central Government in respect of the North-Eastern States and Himalayan States, and the responsibility of the State Government to bear any expenditure incurred in excess of its allocated share.

Planning framework in alignment with vision of Viksit Bharat @2047.

4. (*1*) All works undertaken under this Act shall be originated from the Viksit Gram Panchayat Plans prepared under sub-section (*3*), and consolidated at the Block, District and State levels and further aggregated into the Viksit Bharat National Rural Infrastructure Stack, which shall comprise a comprehensive listing of works aligned with National development priorities.

(*2*) The Viksit Bharat National Rural Infrastructure Stack shall encompass four thematic focus domains, namely:—

(*a*) water security through water-related works;

(*b*) core rural infrastructure;

(*c*) livelihood-related infrastructure; and

(*d*) works for the mitigation of extreme weather events.

(*3*) Rural works planning under this Act shall be undertaken through Viksit Gram Panchayat Plans, prepared by the Gram Panchayats and integrated with the PM Gati Shakti National Master Plan, so as to enable spatially optimised infrastructure development and strengthened inter-departmental convergence in accordance with the provisions specified in Schedule I.

(*4*) For the purposes of sub-section (*3*), Gram Panchayats shall be categorised into Category A, Category B and Category C, in accordance with the provisions specified in Schedule I.

(*5*) The Central Government shall determine the State-wise normative allocation for each financial year, based on objective parameters as may be prescribed by the Central Government.

(*6*) Any expenditure incurred by a State in excess of its normative allocation shall be borne by the State Government in such manner and by such procedure as may be prescribed by the Central Government.

Guarantee of wage employment to rural households.

5. (*1*) Save as otherwise provided, the State Government shall, in such rural area in the State as may be notified by the Central Government, provide to every household whose adult members volunteer to do unskilled manual work, not less than one hundred and twenty-five days of guaranteed employment in a financial year in accordance with the Scheme made under this Act.

(*2*) Every person who has done the work given to him under the Scheme shall be entitled to receive wages at the wage rate for each day of work.

(*3*) Save as otherwise provided in this Act, the disbursement of daily wages shall be made on a weekly basis or in any case not later than a fortnight after the date on which such work was done.

(*4*) The Central Government or the State Government, may within the limits of economic capacity and development, make provisions for securing work to every adult member of a household under the Scheme for any period beyond the period guaranteed under sub-section (*1*), as may be expedient.

Facilitating adequate agricultural labour availability during peak agricultural seasons.

6. (*1*) Notwithstanding anything contained in this Act or rules made thereunder, and to facilitate adequate availability of agricultural labour during peak agricultural seasons, no work shall be commenced or executed under this Act, during such peak seasons as may be notified under sub-section (*2*).

(*2*) The State Governments shall notify in advance, a period aggregating to sixty days in a financial year, covering the peak agricultural seasons of sowing and harvesting, during which works under this Act, shall not be undertaken.

(*3*) The State Government may issue distinct notifications for different areas of the State, including districts, blocks or Gram Panchayats, based on agro-climatic zones, local patterns of agricultural activities or other relevant factors, and every such notification shall have a binding effect for the purposes of this Act.

(*4*) All authorities responsible for planning, sanctioning or executing works under this Act shall ensure that all works are undertaken only outside the notified peak agricultural seasons.

Relaxations during natural calamities and extraordinary circumstances.

7. (*1*) Notwithstanding anything contained in this Act, the State Government may recommend to the Central Government, the need for special operational relaxations during natural calamities or other extraordinary circumstances for the purpose of ensuring timely response and support to affected households.

(*2*) The Central Government may, upon consideration of the recommendations received from the State Government, make specific relaxations, including temporary expansion of permissible works, relaxed documentation norms, or enhanced wage employment provisioning, as may be appropriate to address the situation.

(*3*) Notwithstanding anything in sub-section (*2*), the Central Government may declare such relaxations as may be appropriate to address the situation.

CHAPTER III

Viksit Bharat—Guarantee for Rozgar and Ajeevika Mission (Gramin): VB—G RAM G (विकसित भारत—जी राम जी) Scheme

Viksit Bharat—Guarantee for Rozgar and Ajeevika Mission (Gramin): VB—G RAM G (विकसित भारत—जी राम जी) Scheme.

8. (*1*) For the purposes of giving effect to the provisions of section 3, every State Government shall, make a Scheme, for providing a guarantee of one hundred and twenty-five days of wage employment in a financial year to every rural household in the rural areas covered under the Scheme and whose adult members, by application, volunteer to do unskilled manual work subject to the conditions under this Act.

(*2*) The State Government shall publish a summary of the Scheme made under sub-section (*1*) in at least two local newspapers, one of which shall be in a vernacular language circulating in the area or areas to which the Scheme applies, and shall also make such summary publicly available through electronic means, including the official website of the State Government or any designated digital platform.

(*3*) The Scheme made under sub-section (*1*) shall conform to and provide for the minimum features specified in Schedule I.

Conditions for providing guaranteed employment.

9. (*1*) The State Government may, without prejudice to the conditions specified in Schedule II, specify in the Scheme the conditions for providing guaranteed employment under this Act.

(*2*) The persons employed under the Scheme made under this Act, shall be entitled to such facilities not less than the minimum facilities specified in Schedule II.

Wage rate.

10. The Central Government may, by notification, specify the wage rate for the purposes of this Act, which shall apply to all unskilled manual work provided under the Scheme:

Provided that different wage rates may be notified by the Central Government for different areas:

Provided further that the wage rate so notified shall not be less than the prevailing wage rate as notified under section 6 of the Mahatma Gandhi National Rural Employment Guarantee Act, 2005: 42 of 2005.

Provided also that until a wage rate is notified by the Central Government under this section, the wage rates notified under section 6 of the Mahatma Gandhi National Rural Employment Guarantee Act, 2005, shall continue to apply in the areas covered by this Act. 42 of 2005.

Payment of unemployment allowance.

11. (*1*) If an applicant for employment under the Scheme is not provided such employment within fifteen days of receipt of his application seeking employment or from the date on which the employment has been sought in the case of an advance application, whichever is later, he shall be entitled to a daily unemployment allowance in accordance with the provision of this section.

(*2*) Subject to such terms and conditions of eligibility as may be prescribed by the State Government and subject to the provisions of this Act and the Scheme and the economic capacity of the State Government, the unemployment allowance payable under sub-section (*1*) shall be paid to the applicants of a household, subject to the guarantee provided under this Act, at such rate as may be specified by the State Government, by notification, in consultation with the State Council:

Provided that no such rate shall be less than one-fourth of the notified wage rate for the first thirty days during the financial year and not less than one-half of the wage rate for the remaining period of the financial year.

(*3*) The liability of the State Government to pay unemployment allowance to a household during any financial year shall cease as soon as—

(*a*) the applicant is directed by the Gram Panchayat or Programme Officer to report for work either by himself or depute at least one adult member of the household; or

(*b*) the period for which employment is sought, comes to an end and no member of the household of the applicant had turned up for employment; or

(*c*) the adult members of the household of the applicant have received in total at least one hundred and twenty-five days of work within the financial year; or

(*d*) the household of the applicant has earned as much from the wages and unemployment allowance taken together which is equal to the wages for one hundred and twenty-five days of work during the financial year.

(*4*) The unemployment allowance payable to the household of an applicant jointly, shall be sanctioned and disbursed by the Programme Officer or such local authority (including the Panchayat at the District, intermediate or village level) as the State Government may, by notification, authorise in this behalf.

(*5*) Every payment of unemployment allowance under sub-section (*1*), shall be made or offered not later than fifteen days from the date on which it became due for payment.

(*6*) The State Government may prescribe the procedure for the payment of unemployment allowance under this Act.

CHAPTER IV

IMPLEMENTING AND MONITORING AUTHORITIES

Central Gramin Rozgar Guarantee Council.

12. (*1*) With effect from such date as the Central Government may, by notification, appoint, there shall be constituted a Council to be known as the Central Gramin Rozgar Guarantee Council to discharge the functions and perform the duties assigned to it under this Act.

(*2*) The Central Council shall consist of Chairperson, representatives of Central Government and State Governments, not more than fifteen non-official members representing Panchayati Raj Institutions, organisations of workers and weaker section of the society and a Member-Secretary not below the rank of Joint Secretary to the Government of India.

(*3*) The composition, terms and conditions of appointment, tenure, and meeting procedures shall be such, as may be prescribed by the Central Government.

(*4*) The Central Council shall perform such functions, duties and advisory roles relating to evaluation, monitoring, implementation support and reporting under this Act, as may be assigned to it by the Central Government, and the detailed functions, responsibilities and modalities of functioning shall be such, as may be prescribed by the Central Government.

State Gramin Rozgar Guarantee Council.

13. (*1*) For the purposes of regular monitoring and reviewing the implementation of the provisions of this Act at the State level, every State Government shall, by notification, constitute a State Council to be known as the State Gramin Rozgar Guarantee Council, consisting of a Chairperson and such number of official members as may be determined by the State Government and not more than fifteen non-official members nominated by the State Government from Panchayati Raj Institutions, organisations of workers and weaker section of the society:

Provided that not less than one-third of the non-official members nominated under this sub-section shall be women:

Provided further that not less than one-third of the non-official members shall belong to the Scheduled Castes, the Scheduled Tribes, the Other Backward Classes and Minorities.

(*2*) The terms and conditions subject to which the Chairperson and members of the State Council may be appointed and the time, place and procedure of the meetings (including the quorum at such meetings) of the Council shall be such, as may be prescribed by the State Government.

(*3*) The duties and functions of the State Council shall include—

(*a*) advising the State Government on all matters concerning the Scheme and its implementation in the State;

(*b*) reviewing the monitoring and redressal mechanisms from time to time and recommending improvements;

(*c*) monitoring the implementation of this Act and the Scheme in the State and coordinating such implementation with the Central Council;

(*d*) preparing the annual report to be laid before the State Legislature by the State Government;

(*e*) any other duty or function as may be assigned to it by the Central Council or the State Government.

(*4*) The State Council shall have the power to undertake an evaluation of the Scheme operating in the State and for that purpose to collect or cause to be collected statistics pertaining to the rural economy and the implementation of the Scheme and Programmes in the State.

National Level Steering Committee.

14. (*1*) The Central Government shall, by notification, constitute a National Level Steering Committee to recommend decisions relating to normative allocations to States and to advise on matters requiring inter-ministerial consultation, including convergence framework and to provide high level oversight for the effective implementation of this Act.

(*2*) The National Level Steering Committee shall consist of such senior officials of the Central Government and such other members as may be determined by the Central Government, and the terms and conditions of their appointment shall be such, as may be prescribed by the Central Government.

(*3*) The National Level Steering Committee shall—

(*a*) recommend decisions relating to normative allocations to States;

(*b*) recommend policy measures on matters requiring inter-ministerial consultation, including convergence initiatives and frameworks;

(*c*) provide high level strategic oversight for effective implementation of this Act;

(*d*) review performance of States and recommend corrective or supportive measures;

(*e*) facilitate coordination among the Ministries and Departments of the Central Government and between the Central Government and State Governments for effective convergence and implementation of the provisions of this Act;

(*f*) advise on standards, guidelines, monitoring systems, digital and geospatial public infrastructure necessary for implementation of the provisions of this Act; and

(*g*) perform such other functions as may be assigned to it by the Central Government.

State Level Steering Committee.

15. (*1*) The State Government shall, constitute a State Level Steering Committee to provide operational guidance, coordination, and monitor the implementation of the Scheme.

(*2*) The State Level Steering Committee constituted under sub-section (*1*), shall be presided over by the Chief Secretary of the State or by an officer not below the rank of Additional Chief Secretary nominated by the State Government and shall comprise of the following members, namely:—

(*a*) Principal Secretary or Secretary of the respective Department;

(*b*) the Director or Commissioner (in-charge of the Scheme);

(*c*) Principal Secretaries or Secretaries of relevant Departments of the State Government;

(*d*) such number of subject-matter experts, as may be determined by the State Government;

(*e*) representatives of technical or research institutions; and

(*f*) one member nominated by the Department of Rural Development, Ministry of Rural Development, Government of India.

(*3*) The State Level Steering Committee shall—

(*a*) oversee State wide planning and convergence with other programmes;

(*b*) review of district performance and ensure timely preparation of the aggregate State plan;

(*c*) coordinate with the National Level Steering Committee and implement directions issued therefrom;

(*d*) support digital systems, monitoring arrangements, and process improvements at the State level; and

(*e*) perform such other functions as may be assigned to it by the State Government.

Principal authorities for planning and implementation of Scheme.

16. (*1*) The Panchayats at the district, intermediate and village levels shall be the principal authorities for planning, implementation and monitoring of the Scheme made under this Act.

(*2*) The Panchayat at the district level, shall oversee and coordinate implementation of the Scheme in the district, including finalisation and approval of the aggregate district level plan, supervision and monitoring of works, ensuring convergence, and perform such other functions as may be assigned to it by the State Government.

(*3*) The Panchayat at the intermediate level, shall prepare and finalise the aggregate Block level plan, support Gram Panchayats in planning and implementation, supervise works at Gram Panchayat and Block levels, and facilitate convergence with line departments.

(*4*) The Gram Panchayat shall register households, receive and process applications for work, prepare the Viksit Gram Panchayat Plans, execute the works assigned to it, maintain such records as may be specified by the State Government, and discharge such other responsibilities as may be entrusted to it under the Scheme.

District Programme Coordinator.

17. (*1*) The District Collector or any officer of equivalent rank as the State Government may decide, shall be designated as the District Programme Coordinator for the implementation of the Scheme in the district.

(*2*) The District Programme Coordinator shall be responsible for the implementation of the Scheme in the district in accordance with the provisions of this Act and the rules made thereunder.

(*3*) The functions of the District Programme Coordinator shall be as follows, namely:—

(*a*) the District Programme Coordinator shall be responsible for the consolidation and finalisation of the district aggregate plan and shall oversee convergence, implementation and monitoring of the Scheme at the district level in accordance with the provisions of this Act;

(*b*) the District Programme Coordinator shall ensure compliance with the provisions of this Act and with the directions and guidelines issued by the Central Government and the State Government, and shall accord such administrative sanctions and clearances as may be required for the timely and effective implementation of the Scheme, including those relating to digital, geospatial and monitoring systems;

(*c*) the District Programme Coordinator shall coordinate with Programme Officers, and shall review, monitor and supervise their performance using the monitoring framework, management information system and accountability mechanisms established under this Act and the Scheme;

(*d*) the District Programme Coordinator shall conduct periodic inspections of works undertaken under the Scheme, ensure adherence to quality and productivity standards, and shall redress the grievances of applicants through digital public infrastructure and designated grievance redressal systems in such manner as may be prescribed by the Central Government.

(*4*) The Programme Officer and all other officers of the State Government and local authorities and bodies functioning within the district, shall assist the District Programme Coordinator in carrying out his functions under this Act.

(*5*) The District Programme Coordinator, shall prepare an aggregate plan for the district under his jurisdiction by consolidating the approved Viksit Gram Panchayat Plans and aggregated Block Plans and the proposals received from the Zila Panchayats.

Programme Officer.

18. (*1*) At every Panchayat at intermediate level, the State Government shall appoint a person who is not below the rank of Block Development Officer with such qualifications and experience as may be determined by the State Government as Programme Officer at the panchayat at intermediate level.

(*2*) The Programme Officer shall assist the Panchayat at the intermediate level in discharging its functions under this Act and the Scheme made thereunder.

(*3*) The Programme Officer shall be responsible for matching the demand for employment with the employment opportunities arising from works in the area under his jurisdiction.

(*4*) The Programme Officer shall prepare an aggregate plan for the Block under his jurisdiction by consolidating the approved Viksit Gram Panchayat Plans and the proposals received from intermediate panchayats.

(*5*) Without prejudice to the generality of sub-section (*2*), the functions of the Programme Officer shall include—

(*a*) monitoring all works and projects undertaken by the Gram Panchayats and other implementing agencies within the Block, ensuring alignment with the Viksit Gram Panchayat Plans;

(*b*) sanctioning and ensuring payment of unemployment allowance to eligible households in accordance with the provisions of this Act;

(*c*) ensuring prompt and fair payment of wages to all labourers employed under the Scheme within the Block, including through digital and biometric authenticated payment systems, as may be specified by the Central Government;

(*d*) ensuring that regular social audits of all works within the jurisdiction of each Gram Panchayat are conducted by the Gram Sabha, and that timely and appropriate action is taken on objections and findings arising from such audits;

(*e*) dealing promptly with all complaints and grievances relating to the implementation of the Scheme within the Block, through the grievance redressal mechanisms established under sub-section (*1*) of section 25 of this Act;

(*f*) ensuring the geo-tagging, digital recording, and management information system reporting of all works undertaken within the Block, and compliance with monitoring, productivity, and transparency framework, specified by the Central Government under this Act;

(*g*) facilitating inter-departmental convergence at the Block level to support saturation-driven planning and the execution of works under the Scheme; and

(*h*) any other function as may be assigned to him by the District Programme Coordinator and the State Government under this Act.

(*6*) The Programme Officer shall perform his function under the direction, control and superintendence of the District Programme Coordinator.

Responsibilities of Gram Panchayats.

19. The Gram Panchayat shall be responsible for—

(*a*) registration of households and issuance of Gramin Rozgar Guarantee Cards;

(*b*) receiving work applications and maintaining records of Gramin Rozgar Guarantee Cards;

(*c*) preparing the Viksit Gram Panchayat Plans;

(*d*) every Gram Panchayat shall, after considering the recommendations of the Gram Sabha and the Ward Sabhas, keeping in view of the demand for works, prepare a Viksit Gram Panchayat Plan on saturation basis;

(*e*) the Programme Officer shall allocate at least fifty per cent. of the works in terms of its cost under the Scheme to be implemented through the Gram Panchayats;

(*f*) the Programme Officer shall supply each Gram Panchayat with—

(*i*) the muster rolls for the works sanctioned to be executed by it;

(*ii*) a list of employment opportunities available elsewhere to the residents of the Gram Panchayat;

(*g*) the Gram Panchayat shall allocate employment opportunities among the applicants and ask them to report for work;

(*h*) the works taken up by a Gram Panchayat under the Scheme, shall meet the required technical standards and measurements;

(*i*) executing works allotted to it by the Programme Officer; and

(*j*) a Gram Panchayat may take up any work under the Scheme from Viksit Gram Panchayat Plan within the area of the Gram Panchayat, as may be sanctioned by the Programme Officer.

Social audit of works by Gram Sabha.

20. (*1*) The Gram Sabha, shall monitor and review the execution of all works undertaken under the Scheme within the jurisdiction of the Gram Panchayat, in accordance with the provisions of this Act.

(*2*) The Gram Sabha shall conduct regular social audits of all works taken up under the Scheme within the Gram Panchayat, in such manner as may be prescribed by the Central Government.

(*3*) The Gram Panchayat shall make available to the Gram Sabha all records and documents required for conduct of the social audit, including muster rolls, bills, vouchers, measurement books, sanction orders, digital records, geo-tagged photographs, and all other connected books of account and papers, whether maintained in physical or electronic form.

Responsibilities of State Government in implementing Scheme.

21. The State Government, shall provide the necessary staff and technical support to the District Programme Coordinator and the Programme Officer as may be necessary for the effective implementation of the Scheme.

CHAPTER V

NATURE OF THE SCHEME AND FUND SHARING PATTERN

Nature of Scheme and fund sharing pattern.

22. (*1*) The Scheme implemented under this Act shall be a Centrally Sponsored Scheme.

(*2*) For the purposes of this Act, the fund sharing pattern between the Central Government and the State Governments shall be 90:10 for the North Eastern States, Himalayan States and Union territory (Uttarakhand, Himachal Pradesh and Jammu and Kashmir) and 60:40 for all other States and Union territories with legislature.

(*3*) For the Union territories without legislature, the Central Government shall bear the entire expenses of the Scheme in the manner as may be prescribed by the Central Government.

(*4*) The Central Government shall determine the State-wise normative allocation for each financial year, based on objective parameters as may be prescribed by the Central Government.

(*5*) Any expenditure incurred by a State in excess of its normative allocation shall be borne by the State Government in such manner and procedure as may be prescribed by the Central Government.

(*6*) In accordance with the State-wise normative allocation determined under this Act, the share of the Central Government shall include expenditure towards—

(*a*) payment of wages for unskilled, semi-skilled and skilled labour employed under the Scheme;

(*b*) the material component of works, subject to the provisions in Schedule I;

(*c*) such administrative expenses as may be specified by the Central Government, including salary and allowances of Programme Officers and supporting staff, administrative expenses of the Central Council, facilities required under Schedule II, and such other items as may be prescribed by the Central Government.

(*7*) In accordance with the State-wise normative allocation determined under this Act, the share of the State Government shall include expenditure towards—

(*a*) payment of wages for unskilled, semi-skilled and skilled labour employed under the Scheme;

(*b*) the material component of works, subject to the provisions in Schedule I;

(*c*) such administrative expenses as may be specified by the Central Government, including salary and allowances of Programme Officers and supporting staff, administrative expenses of the State Council, facilities required under Schedule II, and such other items as may be prescribed by the Central Government.

(*8*) The State Government, shall bear the expenditure towards unemployment allowance and delay compensation as may be prescribed by the State Government.

CHAPTER VI

TRANSPARENCY AND ACCOUNTABILITY

Transparency and accountability.

23. (*1*) The District Programme Coordinator and all implementing agencies in the district shall be responsible for the proper utilisation and management of the funds placed at their disposal for the purpose of implementing the Scheme under this Act.

(*2*) The manner of maintaining proper books and accounts relating to the employment of labourers and the expenditure incurred in connection with the implementation of the provisions of this Act, shall be such, as may be prescribed by the State Government.

(*3*) The State Government may determine the arrangements to be made for the proper execution of works under the Scheme and to ensure transparency and accountability at all levels in the implementation of the Schemes.

(*4*) All payments of wages and unemployment allowances shall be made directly to the person concerned in such manner, as may be prescribed by the Central Government.

(*5*) If any dispute or complaint arises concerning the implementation of the Scheme by the Gram Panchayat, the matter shall be referred to the Programme Officer.

(*6*) The Programme Officer shall enter every dispute or complaint in a complaint register maintained by him and shall dispose of such dispute or complaint within a period of seven days of its receipt; and where the matter relates to any other authority, it shall be forwarded to such authority under intimation to the complainant.

Technology-enabled transparency and public accountability.

24. Without prejudice to the foregoing provisions, transparency and accountability in the implementation of the provisions of this Act, shall be ensured through—

(*a*) biometric authentication of workers, functionaries, and transactions, in such manner, as may be specified by the Central Government;

(*b*) geospatial technology-enabled planning, including geo-referencing, satellite imagery, digital mapping of works, and other approved spatial technologies, as may be specified by the Central Government;

(*c*) mobile application-based and dashboard-based monitoring systems providing real-time visibility of demand, works, workforce deployment, payments, progress and other indicators, as may be specified by the Central Government;

(*d*) weekly public disclosure systems, including digital and physical disclosure of key metrics, muster rolls, payments, sanctions, inspections and grievances, as may be specified by the Central Government;

(*e*) strengthening of the social audit mechanism, and the adoption of such other technology-enabled systems, as may be prescribed by the Central Government.

Grievance redressal mechanism.

25. (*1*) The State Government shall, determine a time-bound and multi-tier grievance redressal mechanism at the Block level and the District level for dealing with any complaint made by any person in respect of implementation of the Scheme and lay down the procedure for disposal of such complaints in such manner, as may be prescribed by the Central Government.

(*2*) These mechanisms shall address grievances related to applicants, which include,—

(*a*) failure of the Gram Panchayat or Programme Officer to provide employment within the stipulated period referred to in sub-section (*1*) of section 11;

(*b*) non-payment or delayed payment of wages;

(*c*) non-payment of unemployment allowance;

(*d*) lack of specified worksite facilities as specified in Schedule II;

(*e*) discrimination, harassment, or violation of worker rights, including those of women and vulnerable groups.

Audit of accounts.

26. (*1*) The Central Government may by rules provide for in consultation with the Comptroller and Auditor-General of India, appropriate arrangements for audits of the accounts of the Schemes at all levels.

(*2*) The accounts of the Scheme shall be maintained in such form and in such manner, as may be prescribed by the State Government.

CHAPTER VII

MISCELLANEOUS

Penalties for contravention.

27. Whoever contravenes any provision of this Act, shall be liable to pay the penalty which may extend to ten thousand rupees.

Power to delegate.

28. (*1*) The Central Government may, by notification, direct that the powers exercisable by it (excluding the power to make rules) may, in such circumstances and subject to such conditions and limitations, be exercisable also by the State Government or such officer subordinate to the Central Government or the State Government as it may specify in such notification.

(*2*) The State Government may, by notification, direct that the powers exercisable by it (excluding the power to make rules and Schemes) may, in such circumstances and subject to such conditions and limitations, be exercisable also by such officer subordinate to it as it may specify in such notification.

Power of Central Government to give directions.

29. (*1*) The Central Government may give such directions as it may consider necessary to the State Government for the effective implementation of the provisions of this Act.

(*2*) Without prejudice to the provisions of sub-section (*1*), the Central Government may, on receipt of any complaint regarding any issue or improper utilisation of funds granted under this Act in respect of any Scheme, if *prima facie* satisfied that there is a case, cause an investigation into the complaint made by any agency designated by it and if necessary, order stoppage of release of funds to the Scheme and institute appropriate remedial measures for its proper implementation within a reasonable period of time.

Act to have overriding effect.

30. The provisions of this Act or the Scheme made thereunder shall have effect notwithstanding anything inconsistent therewith contained in any other law for the time being in force or in any instrument having effect by virtue of such law:

Provided that where a State Act exists or is enacted to provide employment guarantee for unskilled manual work to rural households consistent with the provisions of this Act under which the guarantee of the households is not less than and the conditions of employment are not inferior to what is guaranteed under this Act, the State Government shall have the option of implementing its own enactment:

Provided further that in such cases the financial assistance shall be paid to the concerned State Government in such manner as shall be determined by the Central Government, which shall not exceed what the State would have been entitled to receive under this Act had a Scheme made under this Act had to be implemented.

Power to amend Schedules.

31. (*1*) If the Central Government is satisfied that it is necessary or expedient to do so, it may, by notification, amend Schedule.

(*2*) Every notification issued under sub-section (*1*) shall be laid before each House of Parliament.

Protection of action taken in good faith.

32. No suit, prosecution or other legal proceedings shall lie against the District Programme Coordinator, Programme Officer or any other person who is, or who is deemed to be, a public servant within the meaning of clause (*28*) of section 2 of the Bharatiya Nyaya Sanhita, 2023 in respect of anything which is in good faith done or intended to be done under this Act or the rules or Schemes made thereunder. 45 of 2023.

Power of Central Government to make rules.

33. (*1*) The Central Government shall, by notification, and subject to the condition of previous publication, make rules to carry out the provisions of this Act.

(*2*) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

(*a*) State-wise normative allocation for each financial year, based on objective parameters under sub-section (*5*) of section 4;

(*b*) manner and procedure to bear the excess expenditure and its parameters under sub-section (*6*) of section 4;

(*c*) the composition, terms and conditions of appointment, tenure and procedure of meeting under sub-section (*3*) of section 12;

(*d*) the detailed functions, responsibilities and modalities under sub-section (*4*) of section 12;

(*e*) terms and conditions of appointment of officials of National Level Steering Committee under sub-section (*2*) of section 14;

(*f*) manner to redress the grievance under clause (*d*) of sub-section (*3*) of section 17;

(*g*) manner of conducting social audit by Gram Sabha under sub-section (*2*) of section 20;

(*h*) manner to bear the expenses of Scheme under sub-section (*3*) of section 22;

(*i*) objective parameters to determine the State-wise normative allocation under sub-section (*4*) of section 22;

(*j*) manner and procedure to bear the excess expenditure under sub-section (*5*) of section 22;

(*k*) other items under clause (*c*) of sub-section (*6*) of section 22;

(*l*) other items under clause (*c*) of sub-section (*7*) of section 22;

(*m*) manner of payments of wages and unemployment allowances under sub-section (*4*) of section 23;

(*n*) social audit mechanism, and the adoption of such other technology-enabled systems under clause (*e*) of section 24;

(*o*) manner to lay down the procedure for disposal of complaints under sub-section (*1*) of section 25;

(*p*) the manner of transfer and vesting under sub-section (*5*) of section 37;

(*q*) any other matter which is to be, or prescribed or in respect of which provision is to be made by rules for carrying out the provisions of this Act.

Power of State Government to make rules.

34. (*1*) The State Government may, by notification, and subject to the condition of previous publication, and consistent with the provisions of this Act and the rules made by the Central Government, make rules to carry out the provisions of this Act.

(*2*) In particular, and without prejudice of the foregoing power, such rules may provide for all or any of the following matters, namely:—

(*a*) terms and conditions of eligibility under sub-section (*2*) of section 11;

(*b*) the procedure for payment of unemployment allowance under sub-section (*6*) of section 11;

(*c*) terms, conditions, time, place and procedure of meeting and quorum under sub-section (*2*) of section 13;

(*d*) expenditure towards unemployment allowance and delay compensation under sub-section (*8*) of section 22;

(*e*) manner of maintaining proper books and accounts under sub-section (*2*) of section 23;

(*f*) form and manner to maintain the accounts of the Scheme under sub-section (*2*) of section 26;

(*g*) any other matter which is to be, or prescribed or in respect of which provision is to be made by the State Government, for carrying out the provisions of this Act.

Laying of rules and Schemes.

35. (*1*) Every rule made by the Central Government under this Act shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or both Houses agree that the rule should not be made, the rule shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule.

(*2*) Every rule or Scheme made by the State Government under this Act shall, as soon as may be after it is made, be laid before each House of the State Legislature where there are two Houses, and where there is one House of the State Legislature, before that House.

Power to remove difficulties.

36. (*1*) If any difficulty arises in giving effect to the provisions of this Act, the Central Government may, by order published in the Official Gazette, make such provisions, not inconsistent with the provisions of this Act, as appear to it to be necessary or expedient for removing the difficulty.

(*2*) No order shall be made under this section after the expiry of three years from the commencement of this Act.

(*3*) Every order made under this section shall, as soon as may be after it is made, be laid before each House of Parliament.

Repeal, savings and transitional provisions.

37. (*1*) Save as provided in section 10, on and from such date as the Central Government may by notification appoint in this behalf (hereinafter referred to as the appointed date), the Mahatma Gandhi National Rural Employment Guarantee Act, 2005, together with all rules, notifications, Schemes, orders and guidelines made thereunder, shall stand repealed. 42 of 2005.

(*2*) Notwithstanding such repeal, anything duly done or any action taken under the repealed Act, including any notification issued, scheme sanctioned, employment generated, muster roll prepared, wage liability accrued, or proceeding initiated, shall, in so far as it is not inconsistent with the provisions of this Act, be deemed to have been done, taken, issued, sanctioned, accrued or incurred under the corresponding provisions of this Act, as if this Act had been in force at all material times.

(*3*) All appointments, engagements, authorisations, approvals and administrative arrangements made under the repealed Act and continuing immediately before the appointed date shall, unless inconsistent with the provisions of this Act, continue to be valid and in force until they are altered, superseded or withdrawn under this Act.

(*4*) All inquiries, investigations, audits and legal proceedings pending immediately before the appointed date shall be continued, heard and disposed of as if the repealed Act had not been repealed, and such proceedings shall not abate by reason only of such repeal.

(*5*) All assets, liabilities, records, funds and obligations arising under, or relating to, the repealed Act shall stand transferred to and vest in the authorities constituted under this Act and shall be dealt with in such manner as may be prescribed by the Central Government.

SCHEDULE I

[*See* section 8(*3*)]

Minimum features of Viksit Bharat—Guarantee for Rozgar and Ajeevika Mission (Gramin): VB—G RAM G (विकसित भारत—जी राम जी) Scheme

1. The Scheme notified under section 8 of the Act by all States shall be called the "Viksit Bharat—Guarantee for Rozgar and Ajeevika Mission (Gramin): VB—G RAM G (विकसित भारत—जी राम जी) Scheme" and all documents pertaining to the said Scheme shall have a mention of the Viksit Bharat—Guarantee for Rozgar and Ajeevika Mission (Gramin): VB—G RAM G (विकसित भारत—जी राम जी) Act, 2025.

2. All Scheme documents pertaining to the said Scheme shall have a mention of the Viksit Bharat—Guarantee for Rozgar and Ajeevika Mission (Gramin): VB—G RAM G (विकसित भारत—जी राम जी) Act, 2025.

3. The core objectives of the Scheme shall be as follows:—(*a*) The primary objective of this Act is to align the rural development framework with the national vision of Viksit Bharat @2047 by providing an enhanced statutory wage-employment guarantee of one hundred and twenty-five days in each financial year to such rural households whose adult members volunteer to undertake unskilled manual work, thereby enabling them to participate more effectively in the expanded livelihood security framework.

(*b*) To focus on empowerment, growth, convergence and saturation through public works aggregating into forming Viksit Bharat National Rural Infrastructure Stack, with a thematic focus on water security through water-related works, core rural infrastructure, livelihood-related infrastructure and special works to mitigate extreme weather events.

(*c*) To facilitate adequate farm-labour availability during peak agricultural seasons, and, in view of the wage-employment guarantee for the rural workforce.

(*d*) To institutionalise convergence, saturation-driven planning and whole of government delivery through Viksit Gram Panchayat Plans, integrated with the PM Gati Shakti to address the varying needs of Gram Panchayats, powered by geospatial systems, digital public infrastructure, district and State planning mechanisms, with such plans aggregated at the Block, District, State and National levels.

(*e*) To modernise governance, accountability and citizen engagement through a comprehensive digital ecosystem, including biometric authentication at various levels, global positioning system or mobile based worksite monitoring, real time management information system dashboards, proactive public disclosures and the use of Artificial Intelligence for planning, audits and fraud risk mitigation.

4. Works under the Scheme—(*1*) Focus of the Scheme—Classification of Works: The Scheme shall focus on the following categories of works, as identified in the Viksit Gram Panchayat Plans and aggregated into the Viksit Bharat National Rural Infrastructure Stack.

(*2*) For the purposes of section 4 of the Act, the works to be taken up under the Scheme, shall fall under the following Categories, together with their thematic focus and intended outcomes, namely:—

(*a*) Category I—Water-Related Works (for Water Security)—

(*A*) The focus shall include conservation, irrigation, groundwater recharge, source sustainability, rejuvenation of water bodies, watershed development and afforestation and the Illustrative works include—

(*i*) construction of canals, flood or diversion channels, check dams, gully plugs and underground dykes;

(*ii*) construction or rejuvenation of ponds, percolation tanks, recharge pits, recharge shafts, injection wells and associated water harvesting structures;

(*iii*) irrigation open wells, micro-irrigation channels and field water distribution systems;

(*iv*) reclamation of community waterlogged land;

(*v*) afforestation and plantation works linked with soil and moisture conservation; and

(*vi*) rooftop rainwater harvesting and other decentralised recharge systems.

(*B*) Intended Outcomes—Strengthening of water security through integrated water resource management, recharge and conservation for long-term climate resilience.

(*b*) Category II—Core Rural Infrastructure—

(*A*) Thematic focus shall include core civic, social, governance and service-delivery infrastructure relating to education, health, drinking water, sanitation, connectivity, renewable energy and community services and the Illustrative works include—

(*i*) construction or upgradation of rural roads, culverts, cross-drainage structures and village connectivity facilities;

(*ii*) construction of Gram Panchayat Bhawans, Anganwadi centres, rural libraries and other public buildings;

(*iii*) construction of school infrastructure, including kitchen sheds, additional classrooms, laboratories, compound walls and playgrounds;

(*iv*) crematoria and community infrastructure;

(*v*) solid and liquid waste management assets, including stabilising ponds, community sanitary complexes, and waste segregation and collection centres;

(*vi*) installation of solar lighting systems and other renewable rural energy infrastructure;

(*vii*) village parking areas, transport sheds and other common rural amenities;

(*viii*) rural housing works permissible under the schemes of the Central Government, including those permitted under the Pradhan Mantri Awas Yojana—Gramin; and

(*ix*) repair and maintenance of works created under the Jal Jeevan Mission for ensuring water supply.

(*B*) Intended Outcome—Creation of foundational civic and social infrastructure ensuring basic amenities, improved service access and enhanced quality of life in rural areas.

(*c*) Category III—Livelihood-related Infrastructure—

(*A*) Thematic focus shall include productive assets and facilities that enhance rural livelihoods through agriculture, livestock, fisheries, value addition, skilling and enterprise development and the Illustrative works include—

(*i*) construction of training-cum-skill development centres and work sheds for livelihood activities;

(*ii*) rural haats or weekly markets and other market infrastructure;

(*iii*) food grain storage buildings, agricultural produce storage structures, cold storage units and other agri-value chain infrastructure;

(*iv*) buildings for Self Help Groups and federation-level institutions;

(*v*) compost structures, including vermicompost and NADEP units;

(*vi*) development of silvipasture grasslands, dairy infrastructure and shelters for cattle, goats, pigs, poultry and other livestock;

(*vii*) fisheries-related infrastructure, including fish drying yards;

(*viii*) raising of nurseries and production of building material; and

(*ix*) Integrated projects promoting circular and cyclical economy models, as may be approved by the Central Government.

(*B*) Intended Outcome—Strengthening of sustainable livelihoods, value addition, enterprise development and self-reliant rural economies.

(*d*) Category IV—Special works to mitigate Extreme Weather Events and Disaster Preparedness—

(*A*) Thematic focus shall include disaster risk reduction, climate adaptation, and protection of rural communities and assets from floods, cyclones, storms, droughts, landslides, forest fires and other extreme weather events and the Illustrative works include—

(*i*) construction of cyclone shelters, flood shelters and multipurpose disaster resilient structures;

(*ii*) construction of diversion channels, embankments and other disaster-mitigation works;

(*iii*) stabilising ponds and water structures for flood management;

(*iv*) post-disaster rehabilitation, restoration and repair of rural roads and community assets;

(*v*) windbreak and shelterbelt plantations; and

(*vi*) forest fire management works, including fire breaks, fuel buffer zones and allied measures.

(*B*) Intended Outcome—Creation of climate-resilient villages capable of withstanding extreme weather conditions.

(*3*) Any other public work which may be notified by the Central Government.

(*4*) Maintenance of rural public assets created under the Act.

(*5*) Works for individual beneficiaries, including but not limited to housing-related works under the Pradhan Mantri Awaas Yojana—Gramin, sanitation-related works, and other beneficiary-oriented developmental works undertaken under various schemes of the Central Government from time to time and expressly notified for inclusion under the Scheme, may also be taken up. The eligibility of such beneficiaries shall be as notified by the Central Government, aligned with the eligibility criteria specified under the respective Central Government schemes, with all such works conforming to the norms, standards and guidelines issued by the Central Government.

(*6*) Without prejudice to the generality of the above, works creating individual assets as notified by the Central Government shall be prioritised on land or homestead owned by households belonging to—

(*a*) the Scheduled Castes;

(*b*) the Scheduled Tribes;

(*c*) nomadic tribes;

(*d*) denotified tribes;

(*e*) economically weaker sections of the society as identified based on criteria notified by the Central Government;

(*f*) women-headed households;

(*g*) households headed by persons with disabilities;

(*h*) beneficiaries of land reforms;

(*i*) beneficiaries under the Pradhan Mantri Awaas Yojana—Gramin (PMAY-G); and

(*j*) beneficiaries under the Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006 (2 of 2007), and

after exhausting the eligible beneficiaries under the above categories, works may be taken up on the lands of small or marginal farmers as identified on the basis of criteria notified by the Central Government, subject to such conditions as may be notified by the Central Government, including the requirement that such households possess a valid job card and have at least one adult member willing to work on the project undertaken on their land or homestead.

5. Participatory Planning under the Scheme:—(*1*) All Central, State or local schemes, as may be notified by the Central Government for the purpose of convergence and saturation-based planning, shall be brought under a unified planning process anchored in the Viksit Gram Panchayat Plans.

(*2*) There shall be a systematic and participatory planning exercise undertaken at each tier of the Panchayati Raj system in accordance with the specified methodology. The Viksit Gram Panchayat Plans shall be prepared by the Gram Panchayats using GIS-based tools, PM Gati Shakti layers and other digital public infrastructure, and placed before the Gram Sabha for

approval. Works proposed to be undertaken by the Intermediate Panchayat, District Panchayat or other implementing agencies shall likewise be placed before the respective Panchayats along with the expected outputs and outcomes. The Viksit Gram Panchayat Plans shall be aggregated at the Block, District and State levels to ensure coherence with sectoral priorities, broader rural development strategies, and saturation-based planning for comprehensive coverage of eligible assets and outcomes across all Gram Panchayats. All works emerging from the Viksit Gram Panchayat Plans shall be consolidated into the Viksit Bharat—National Rural Infrastructure Stack.

(*3*) Viksit Gram Panchayat Plan—Every Gram Panchayat shall prepare saturation-mode plans based on its classification into Category A, B, C, etc., determined based on development parameters, including proximity to urban areas, to address the varying needs of the Panchayats. All such works shall be drawn exclusively from the approved Viksit Gram Panchayat Plan, prepared using PM Gati Shakti, GIS-based tools and other digital public infrastructure.

(*4*) The works identified in the Viksit Gram Panchayat Plans shall be executed through various Central, State and local schemes in convergence. The schemes to be taken up for such convergence shall be notified by the Central Government.

6. Framework for Convergence and Integrated Planning—A Unified Convergence Framework shall be established for coherent planning, execution and monitoring of all works undertaken in rural areas, and for this purpose—

(*1*) All Central, State or local schemes, as may be notified by the Central Government for the purpose of convergence and saturation-based planning, shall be brought under a unified planning process anchored in the Viksit Gram Panchayat Plans.

(*2*) All existing assets and proposed works, whether funded under this Act or through any other Central, State or local scheme, shall be mandatorily registered and tracked through the Viksit Bharat—National Rural Infrastructure Stack using the designated digital portal, which shall maintain a comprehensive register of rural public works, prevent duplication, integrate departmental investments, and align all works with saturation outcomes.

(*3*) The Ministry of Rural Development shall prepare and periodically update the management information system, a nationally harmonised, single digital backbone for rural public works covering water security, core rural infrastructure, livelihood-related infrastructure, and special works to mitigate extreme weather events; and all planning shall follow a strict bottom-up process beginning with the preparation of the Viksit Gram Panchayat Plan, which shall be successively aggregated at the Block, District and State levels, and the aggregated State Plan shall be placed before the State Level Steering Committee for approval.

(*4*) Viksit Bharat National Rural Infrastructure Stack shall guide States, Districts and Panchayati Raj Institutions in identifying priority infrastructure gaps, standardising work designs, and ensuring that public investments contribute measurably to saturation outcomes at the Gram Panchayat, Block and District levels.

(*5*) This institutional architecture shall ensure a single-plan, multi-funding approach, promote convergence across departments and schemes, and align all rural development efforts with the Viksit Bharat @2047 vision of creating productive, resilient and transformative rural assets.

7. Intra-State distribution of normative Allocation—The State Government shall, upon receipt of the approved normative allocation from the Central Government, ensure equitable, need-based and transparent intra-State distribution of the allocation across districts and Gram Panchayats, taking into consideration the categorisation of Gram Panchayats and the assessed local needs for determining Gram Panchayat-wise allocations and corresponding district allocations; and the detailed methodology, parameters and procedural requirements for such distribution shall be notified by the Central Government.

8. Completion of Ongoing Works—At the time of opening new works, it shall be ensured that ongoing or incomplete works are prioritised for completion, subject to planning norms and the approved Viksit Gram Panchayat Plans.

9. Technical Estimates and Standards for Works—Every work under this Act shall have a technical estimate and design sanctioned by an authority authorised by the State Government, based on the framework aligned with the Viksit Bharat National Rural Infrastructure Stack.

10. For works involving construction, appropriate labour-intensive technologies, depending upon the availability of labour and the use of local materials, shall be employed to the extent feasible.

11. Bills of quantities shall use clear and commonly understood terminology to ensure transparency for all stakeholders.

12. Each work shall have a summary of the estimate, design and a technical note indicating the expected outputs and outcomes.

13. All technical estimates, designs and outcome notes shall be generated or uploaded through digital systems integrated with the designated management information system.

14. Administrative and Financial Sanctions—(*1*) Works finalised at the Gram Panchayat level through the approved Viksit Gram Panchayat Plan and aggregated at the Block and District levels shall be accorded administrative or financial sanction by the competent authority as per the requirements and within thirty days.

(*2*) The sanctioning authorities shall ensure that—

(*a*) the proposed works are drawn exclusively from the approved Viksit Gram Panchayat Plan;

(*b*) the works are consistent with thematic domains, and the Viksit Bharat National Rural Infrastructure Stack;

(*c*) all sanctioned works are taken up through the designated digital portal under the Act.

15. Muster Rolls and Attendance Systems—The muster rolls for works undertaken under this Act shall be maintained through digital systems and shall comply with the following requirements—

(*a*) Each muster roll shall be in English and the local language and have a unique electronically generated identity number (e-muster) issued through the management information system. The muster roll shall include the names of all workers who have demanded or been allocated work and shall be authenticated by the authorised functionary of the Gram Panchayat or the Programme Officer.

(*b*) Attendance at the worksite shall be recorded daily by an authorised person using biometric attendance systems, and all attendance details shall be made available for public viewing on a daily basis through the designated management information system.

(*c*) e-Muster rolls shall be processed by officials in the manner stipulated under the relevant guidelines.

16. Measurement and Basis for Payment—(*1*) Payment of wages shall only be made based on measurements taken at the worksite by authorised technical personnel within three days of the closure of the muster roll, and recorded digitally through systems integrated with the designated management information system.

(*2*) The State Government shall ensure the deployment of adequate technical personnel to enable timely measurement. Suitable persons may be trained and deployed, with delegated technical responsibilities, and shall be paid wages at skilled rates.

17. Wage Linkage to Output and Schedule of Rates—The State Government shall ensure that wages without any gender bias are linked to the quantum of work completed, in accordance with the Rural Schedule of Rates notified on the basis of time-and-motion studies for different types of work and different seasons, and revised periodically.

18. Special Schedule of Rates for Vulnerable Groups—A separate Schedule of Rates shall be finalised for women, the elderly, persons with disabilities and persons with debilitating ailments to facilitate their productive participation in suitable categories of work.

19. Working Hours and Earning Norms—(*a*) The Schedule of Rates shall be framed so that an adult person working for eight hours, inclusive of one hour of rest, can earn an amount equivalent to the notified wage rate.

(*b*) Working hours of an adult worker may be flexible but shall not extend beyond twelve hours in a day, including intervals for rest.

20. Material Component—For all works undertaken under this Act, the cost of the material component shall not exceed forty per cent. at the District level.

21. Execution Without Contractors—(*1*) No contractor shall be engaged for the execution of any work or component financed through expenditure under this Act. All such works shall be executed directly by the implementing agencies in accordance with the processes laid down under the Act, including mandatory proactive disclosures and the social audit process.

(*2*) In cases of convergence where components of a work are financed under other schemes, the execution of those components may follow the norms of the converging scheme, including the use of contractors where permitted.

22. As far as practicable, works executed by the programme implementation agencies shall be performed by using manual labour and no labour displacing machines shall be used.

23. Transparent Procurement of Materials—All materials required for the execution of works shall be procured by the Gram Panchayat or the implementing agency through transparent procurement systems, including e-tendering processes, as specified by the State Government.

24. Out of the administrative costs allowed under the Scheme, at least one-third shall be utilised at the Gram Panchayat level to employ and pay the Gram Rozgar Sahayak, other technical personnel as per the work done and for other administrative expenses.

25. Transparency and Accountability—(*1*) Every Scheme prepared under this Act shall contain comprehensive provisions to ensure transparency and accountability at all levels of implementation, including Mandatory Public Disclosure and social audit.

(*2*) Mandatory Public Disclosure—(*a*) Mandatory Public disclosure shall be undertaken through digital systems integrated with the designated management information system and displayed at the village level for public scrutiny.

(*b*) Display at every worksite a "Janata Board" indicating details of the work, estimated labour days, material quantities in local terminology, and item-wise costs.

(*c*) Digital and physical display of number of days of employment provided, wage payments, material payments, guarantees under the Act, works approved under the Viksit Gram Panchayat Plan, and year-wise works taken up or completed by the Gram Panchayat and other implementing agencies.

(*d*) Public disclosure of all information relating to works, labour demand, employment provided, payments, material utilisation and physical progress under this Act shall be carried out through digital systems integrated with the designated portal. Weekly disclosures shall be automatically generated and displayed in a publicly accessible physical and digital formats. In addition, the Gram Panchayat shall convene weekly disclosure meetings in the Gram Panchayat Bhawan to present the status of works, payments, grievances and other relevant information before the community.

(*e*) The Ministry of Rural Development and the State Departments shall ensure that their official websites are regularly updated in compliance with clause (*b*) of sub-section (*1*) of section 4 of the Right to Information Act, 2005 (22 of 2005), with all information on the Act available in free, downloadable electronic form.

(*3*) Social audit—(*a*) all works, expenditures and guarantees under this Act shall be subject to social audit at least once every six months in the manner as may be prescribed by the Central Government;

(*b*) the procedure, standards and modalities for conducting social audits shall be as prescribed in the rules made under this Act;

(*c*) until such rules are notified, the provisions of the Mahatma Gandhi National Rural Employment Guarantee Audit of Schemes Rules, 2011 shall, *mutatis mutandis*, apply to the conduct of social audits under this Act.

(*4*) Concurrent evaluation mechanism—For ensuring measurable outcomes and real-time accountability, technology-enabled monitoring shall be mandated for tracking work execution and post-completion asset outcomes, supported by verified data systems and spatial technologies. Weekly public disclosures shall be reinforced through a comprehensive transparency framework. A Concurrent Evaluation Mechanism, as may be specified by the Central Government through guidelines, shall provide continuous vigilance and enable timely corrective action.

26. Recovery of misappropriated amounts—(*1*) Any misappropriation of amounts spent under the Act shall be recoverable under the relevant revenue laws for recovery prevailing in the State.

(*2*) The portion of such recoveries pertaining to the Central share shall be remitted to the Consolidated Fund of India through the mechanism established by the Central Government.

27. Inspection and Quality Control—The State Government shall ensure regular inspection and supervision of works by designated quality-control teams to verify adherence to quality standards, accuracy of measurements and conformity of wage payments to the actual quantum of work executed. Inspection reports shall be uploaded to the management information system.

28. Grievance Redressal Mechanism—An effective grievance redressal mechanism shall be established under the Act, comprising the following components, namely:—

(*a*) Institutional mechanisms for receiving grievances at the Ward, Gram Panchayat, Block and District levels, with at least one designated day each week when officials shall be mandatorily available to receive grievances;

(*b*) Issuance of a dated acknowledgement for all grievances submitted in writing, telephonically, online, or orally to any authorised functionary;

(*c*) Enquiry through spot verification or inspection and disposal shall be completed within seven working days of receipt of the grievance;

(*d*) Upon completion of the enquiry, the concerned authority shall initiate immediate corrective action, and the grievance shall be resolved within fifteen days;

(*e*) Failure to dispose of a grievance within seven working days at the level determined, shall be treated as a contravention of the provisions of this Act and shall attract action in accordance with section 27 or any corresponding provision of this Act;

(*f*) Where *prima facie* evidence of financial irregularity is revealed during preliminary enquiry or through findings of the social audit report, the District Programme Coordinator shall, after obtaining legal advice, ensure that a First Information Report is lodged and necessary proceedings initiated;

(*g*) The concerned authority shall inform the complainant in writing, physically or digitally, of the conclusions of the enquiry and the steps taken for redressal;

(*h*) Action taken on grievances received by all implementing agencies shall be placed before the meetings of the Intermediate Panchayat and the District Panchayat for review and monitoring;

(*i*) Appeals against the orders of the Gram Panchayat shall lie before the Programme Officer; appeals against the orders of the Programme Officer shall lie before the District Programme Coordinator; appeals against the orders of the District Programme Coordinator shall lie before the State Grievance Redressal Authority or any officer designated by the State Government;

(*j*) All appeals shall be filed within forty-five days from the date of the order;

(*k*) All appeals shall be disposed of within thirty days from the date of receipt;

(*l*) Any grievance not resolved within fifteen days at the Ward, Gram Panchayat, Block or District level shall be automatically escalated to the next higher level through digital systems integrated with the designated management information system, and such escalations shall be continuously monitored electronically.

29. Ombudsperson—The State Government shall appoint an Ombudsperson for each District to receive grievances, conduct enquiries and issue awards in accordance with the guidelines notified by the Central and the State Governments. The Ombudsperson shall operate through digital platforms integrated with the designated digital portal under this Act.

30. Action for Contravention—Wherever contravention of any provision of this Act is established after due enquiry by the State Government, the District Programme Coordinator, the Programme Officer, the Ombudsperson or any other authority authorised by the State Government, action shall be taken in accordance with section 27 of this Act or any corresponding provision.

31. Annual Reporting—The District Programme Coordinator, the Programme Officer and each Gram Panchayat shall prepare an annual report detailing facts, figures and achievements relating to the implementation of the Scheme within their jurisdiction. A copy of such report shall be made available to the public in physical or electronic form, on payment of such fee as may be specified in the Scheme.

32. All accounts and records including muster rolls relating to the scheme shall be made available for public scrutiny free of cost. Any person desirous of obtaining a copy or relevant extracts therefrom may be provided such copies or extracts on demand not later than three working days from the date of receipt of application.

33. Capacity Building and Strengthening Panchayats—There shall be a dedicated plan for training, Information Education Communication, digital literacy and strengthening Panchayati Raj Institutions.

SCHEDULE II

[*See* section 9(*2*)]

1. Gramin Rozgar Guarantee Card—(*1*) Household Registration—The adult member of every household residing in any rural area and willing to undertake unskilled manual work, may submit the names, ages and address of the household to the Gram Panchayat within whose jurisdiction they reside, for the purpose of registration of the household and issuance of a Gramin Rozgar Guarantee Card.

(*2*) Special Gramin Rozgar Guarantee Card, where the job seeker is—

(*a*) a single woman; or

(*b*) a person with disability; or

(*c*) persons above sixty years of age; or

(*d*) a released bonded labourer; or

(*e*) a person belonging to a Particularly Vulnerable Tribal Group; or

(*f*) a transgender person.

(*3*) The Special Gramin Rozgar Guarantee Card of a distinct colour, shall ensure special protection in the providing work, work evaluation, and worksite facilities, as applicable.

(*4*) It shall be the duty of the Gram Panchayat, after making such enquiry, as it deems fit, to issue a Gramin Rozgar Guarantee Card within fifteen days from the date of receipt of such application, containing therein a unique Gramin Rozgar Guarantee Card number with details of the registered adult members of the household, their photos, Bank or Post office account number, insurance policy number and the Aadhaar numbers, if any.

(*5*) The Gramin Rozgar Guarantee Card issued, shall be valid for three years, after which it may be renewed after due verification.

(*6*) No Gramin Rozgar Guarantee Card shall be cancelled except on any of the following grounds—

(*a*) where it is found to be a duplicate;

(*b*) where the entire household has permanently migrated to a place outside the jurisdiction of the Gram Panchayat and no longer resides in the village; or

(*c*) where all adult members of the registered household are deceased.

(*7*) The State Government shall make arrangements for updating the following details in the Gramin Rozgar Guarantee Card regularly while mentioning the key guarantees under the Act are clearly listed as follows:—

(*a*) number of days for which work was demanded;

(*b*) number of days of work allocated;

(*c*) description of the work allocated along with the muster roll number;

(*d*) measurement details;

(*e*) unemployment allowance, if any, paid;

(*f*) date-wise amount of wages paid;

(*g*) delay compensation paid if any;

(*h*) asset provided, if any.

2. Demand for work—(*1*) Every adult member of a registered household whose name appears in the Gramin Rozgar Guarantee Card, shall be entitled to apply for unskilled manual work under the Scheme; and every such application shall be compulsorily registered, and a receipt issued with the date, which shall be entered in the given digital platform.

(*2*) The State shall proactively verify the requirements of the Vulnerable Groups and provide them with work.

(*3*) Application for work may be oral or written and made to the Ward member or to the Gram Panchayat or to the Programme Officer or any person authorised by the State Government or through digital platforms, or through any other means authorised by the State Government.

(*4*) Applications for work may be filed individually or for a group together.

(*5*) There shall be no limit on the number of days of employment for which a person may apply, or on the number of days of employment actually provided to him subject to the aggregate guarantee of the household.

(*6*) Normally, applications for work must be for at least six days of continuous work.

(*7*) Provision shall be made in the Scheme for advance application, that is, application which may be submitted earlier than the date from which employment is sought.

(*8*) Provision shall be made in the Scheme for submission of multiple applications by the same person provided that the corresponding periods for which employment is sought do not overlap.

3. Allocation of work—(*1*) The Gram Panchayat and Programme Officer shall ensure that every applicant shall be provided unskilled manual work in accordance with the provisions of the Scheme within fifteen days of receipt of an application or the date from which he seeks work in case of advance application, whichever is later.

(*2*) Priority shall be given to women in such a way that at least one-third of the beneficiaries shall be women who have registered and requested for work. Efforts to increase participation of single women and the person with disabilities shall be made.

(*3*) Applicants who are provided with work shall be so intimated in writing, by means of a letter sent to him at the address given in the Gramin Rozgar Guarantee Card or through any other effective mode of communication or by a public notice displayed at the office of the Panchayats at district, intermediate or village level.

(*4*) A list of persons who are provided with the work shall be displayed on the notice board of the Gram Panchayat and at the office of the Programme Officer and at such other place as the Programme Officer may deem necessary and the list shall be open for inspection by the State Government and any interested person.

(*5*) As far as possible, the employment shall be provided within a radius of five kilometers of the village where the applicant resides at the time of applying.

(*6*) A new work under the Scheme can be commenced if at least ten labourers become available for work, provided that this condition shall not be applicable for new works, as determined by the State Government, in hilly areas and in respect of afforestation works.

(*7*) In case the employment is provided outside the radius specified in sub-paragraph (*5*) of paragraph 3, it shall be provided within the Block, and the labourers shall be paid ten per cent. of the wage rate as extra wages to meet additional transportation and expenses for living.

(*8*) A period of employment shall be for at least six days continuously, with not more than six days in a week.

4. Worksite management—(*1*) For the purpose of transparency at the worksite, the following shall be ensured—

(*a*) there shall be a project initiation meeting in which various provisions of the work shall be explained to the workers;

(*b*) a copy of the sanction work order shall be available for public inspection at the worksite;

(*c*) measurement record of each work and details of the workers shall be available for public inspection;

(*d*) a Citizens' Information Board shall be put up at every worksite and updated regularly in the manner specified by the Central Government;

(*e*) the vigilance and Monitoring Committee set up according to the instructions of the Central Government may check all works and its evaluation report will be recorded in the Works Register in the format specified by the Central Government and submitted to the Gram Sabha during the Social Audit.

(*2*) The facilities of safe drinking water, shade for children and periods of rest, first aid box with adequate material for emergency treatment for minor injuries and other health hazards connected with the work being performed shall be provided at the worksite.

(*3*) In case the number of children below the age of five years accompanying the women working at any site is five or more, provisions shall be made to depute one of such women workers to look after such children. The person so deputed shall be paid wage rate.

5. Welfare—(*1*) If any personal injury is caused to any person employed under the Scheme by any accident arising out of and in the course of his employment, he shall be entitled to such medical treatment as required, free of cost.

(*2*) Where hospitalisation of the injured worker is necessary, the State Government shall arrange for such hospitalisation including accommodation, treatment, medicines and payment of daily allowance which is not less than half of the wage rate.

(*3*) If a person employed under the Scheme meets with death or becomes permanently disabled by accident arising out of and in the course of employment, he or his legal heirs, as the case may be, shall be paid by the implementing agency an *ex gratia* as per entitlement under the *Pradhan Mantri Suraksha Bima Yojana* or as may be notified by the Central Government.

(*4*) If any personal injury is caused by accident to a child accompanying a person who is employed under the Scheme, such person shall be entitled to medical treatment free of cost; and in case of death or disablement of the child due to the said accident, *ex gratia* shall be paid to the legal guardians as determined by the State Government.

6. Wage payment—(*1*) In case the payment of wages is not made within fifteen days from the date of closure of the muster roll, the wage seekers shall be entitled to receive payment of compensation for the delay, at the rate of 0.05% of the unpaid wages per day of delay beyond the sixteenth day of closure of muster roll.

(*2*) Any delay in payment of compensation beyond a period of fifteen days from the date it becomes payable, shall be considered in the same manner as the delay in payment of wages.

(*3*) For the purpose of ensuring accountability in payment of wages and to calculate culpability of various functionaries or agencies, the States shall divide the processes leading to determination and payment of wages into various stages such as,—

(*a*) measurement of work;

(*b*) computerising the muster rolls;

(*c*) computerising the measurements;

(*d*) generation of wage lists; and

(*e*) uploading Fund Transfer Orders (FTOs), and specify stage-wise maximum time limits along with the functionary or agency which is responsible for discharging the specific function.

(*4*) The computer system shall have a provision to automatically calculate the compensation payable based on the date of closure of the muster roll and the date of deposit of wages in the accounts of the wage seekers.

(*5*) The State Government shall pay the compensation upfront after due verification within the time limits as specified above and recover the compensation amount from the functionaries or agencies who are responsible for the delay in payment.

(*6*) It shall be the duty of the District Programme Coordinator or Programme Officer to ensure that the system is operationalise.

(*7*) The number of days of delay, the compensation payable and actually paid shall be reflected in the Management Information System.

(*8*) Effective implementation of sub-paragraph (*1*) shall be considered necessary for the purposes of section 29 of the Act.

7. The payment of wages shall, unless so exempted by the Central Government, be made through the individual savings accounts of the workers in the relevant Banks or Post Offices.

8. In case of employment provided under the Scheme, there shall be no discrimination solely on the ground of gender and the provisions of the Equal Remuneration Act, 1976 (25 of 1976), shall be complied with.

9. Record maintenance and grievance redressal system—The Gram Panchayat shall prepare and maintain or cause to be prepared and maintained such registers, vouchers and other documents in such form and in such manner as may be specified in the Scheme containing particulars of Gramin Rozgar Guarantee Cards and pass books issued, name, age and address of the head of the household and the adult members of the households registered with the Gram Panchayat.

10. (*1*) Notwithstanding anything contained in this Schedule, in the event of any national calamity such as flood, cyclone, tsunami and earthquake resulting in mass dislocation of rural population, the adult members of rural households of areas so affected may—

(*a*) seek for registration and get Gramin Rozgar Guarantee Card issued by the Gram Panchayat or Programme Officer of the area of temporary relocation;

(*b*) submit written or oral applications for work to the Programme Officer or the Gram Panchayat of the area of temporary relocation; and

(*c*) apply for re-registration and re-issuance of Gramin Rozgar Guarantee Card in the event of any loss or destruction.

(*2*) The details of such Gramin Rozgar Guarantee Cards shall be intimated to the District Programme Coordinator.

(*3*) In the event of restoration of normalcy, the Gramin Rozgar Guarantee Card so issued shall be re-endorsed at original place of habitation and clubbed with the original Gramin Rozgar Guarantee Card on being retrieved.

(*4*) The number of days of employment provided shall be counted while computing 125 days of guaranteed employment per household.

11. Every worker shall have an opportunity of being heard and register any grievance either orally or in writing, at all implementation levels for disposal as per the provisions of the Grievance Redressal Mechanism under the Scheme.

———

DR. RAJIV MANI,
Secretary to the Govt. of India.

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AND PUBLISHED BY THE CONTROLLER OF PUBLICATIONS, DELHI–110054.

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ಅಧಿಸೂಚನೆ

ಸಂಖ್ಯೆ: ಸಂವ್ಯಶಾಇ 48 ಕೇಶಾಪ್ರ 2025 ಬೆಂಗಳೂರು, ದಿನಾಂಕ: 30.12.2025

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रजिस्ट्री सं॰ डी॰ एल॰—(एन)04/0007/2003—25 REGISTERED NO. DL—(N)04/0007/2003—25

भारत का राजपत्र
The Gazette of India

सी.जी.-डी.एल.-अ.-21122025-268699
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असाधारण
EXTRAORDINARY
भाग II — खण्ड 1
PART II — Section 1
प्राधिकार से प्रकाशित
PUBLISHED BY AUTHORITY

सं॰ 61] नई दिल्ली, रविवार, दिसम्बर 21, 2025/अग्रहायण 30, 1947 (शक)
No. 61] NEW DELHI, SUNDAY, DECEMBER 21, 2025/AGRAHAYANA 30, 1947 (Saka)

इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके।
Separate paging is given to this Part in order that it may be filed as a separate compilation.

MINISTRY OF LAW AND JUSTICE
(Legislative Department)

New Delhi, the 21*st December,* 2025*/Agrahayana* 30, 1947 *(Saka)*

The following Act of Parliament received the assent of the President on the 20th December, 2025 and is hereby published for general information:—

THE REPEALING AND AMENDING ACT, 2025

NO. 37 OF 2025

[20*th December,* 2025.]

An Act to repeal certain enactments and to amend certain other enactments.

BE it enacted by Parliament in the Seventy-sixth Year of the Republic of India as follows:—

Short title.

1. This Act may be called the Repealing and Amending Act, 2025.

Repeal of certain enactments.

2. The enactments specified in the First Schedule are hereby repealed.

Amendment of certain enactments.

3. The enactments specified in the Second Schedule are hereby amended to the extent and in the manner mentioned in the fourth column thereof.

Savings.

4. The repeal by this Act of any enactment shall not affect any other enactment in which the repealed enactment has been applied, incorporated or referred to;

and this Act shall not affect the validity, invalidity, effect or consequences of anything already done or suffered, or any right, title, obligation or liability already acquired, accrued or incurred, or any remedy or proceeding in respect thereof, or any release or discharge of or from any debt, penalty, obligation, liability, claim or demand, or any indemnity already granted, or the proof of any past act or thing;

nor shall this Act affect any principle or rule of law, or established jurisdiction, form or course of pleading, practice or procedure, or existing usage, custom, privilege, restriction, exemption, office or appointment, notwithstanding that the same respectively may have been in any manner affirmed or recognised or derived by, in or from any enactment hereby repealed;

nor shall the repeal by this Act of any enactment revive or restore any jurisdiction, office, custom, liability, right, title, privilege, restriction, exemption, usage, practice, procedure or other matter or thing not now existing or in force.

THE FIRST SCHEDULE

(*See* section 2)

REPEALS

Year	Act No.	Short Title
1	2	3
1886	XI	The Indian Tramways Act, 1886.
1976	31	The Levy Sugar Price Equalisation Fund Act, 1976.
1978	41	The Britannia Engineering Company Limited (Mokameh Unit) and the Arthur Butler and Company (Muzaffarpore) Limited (Acquisition and Transfer of Undertakings) Act, 1978.
1982	36	The Chaparmukh-Silghat Railway Line and the Katakhal-Lalabazar Railway Line (Nationalisation) Act, 1982.
1984	55	The Hooghly Docking and Engineering Company Limited (Acquisition and Transfer of Undertakings) Act, 1984.
1988	44	The Bharat Petroleum Corporation Limited (Determination of Conditions of Service of Employees) Act, 1988.
2016	3	The Arbitration and Conciliation (Amendment) Act, 2015.
2017	1	The Payment of Wages (Amendment) Act, 2017.
2017	3	The Enemy Property (Amendment and Validation) Act, 2017.
2017	6	The Maternity Benefit (Amendment) Act, 2017.
2017	11	The Employee's Compensation (Amendment) Act, 2017.
2017	30	The Banking Regulation (Amendment) Act, 2017.
2018	7	The National Bank for Agriculture and Rural Development (Amendment) Act, 2018.
2018	10	The High Court and Supreme Court Judges (Salaries and Conditions of Service) Amendment Act, 2018.
2018	12	The Payment of Gratuity (Amendment) Act, 2018.
2018	18	The Specific Relief (Amendment) Act, 2018.
2018	19	The State Banks (Repeal and Amendment) Act, 2018.
2018	20	The Negotiable Instruments (Amendment) Act, 2018.
2018	28	The Commercial Courts, Commercial Division and Commercial Appellate Division of High Courts (Amendment) Act, 2018.
2019	15	The Central Universities (Amendment) Act, 2019.
2019	19	The Protection of Human Rights (Amendment) Act, 2019.
2019	27	The Airports Economic Regulatory Authority of India (Amendment) Act, 2019.
2019	32	The Motor Vehicles (Amendment) Act, 2019.
2019	38	The National Institute of Design (Amendment) Act, 2019.
2019	41	The Chit Funds (Amendment) Act, 2019.
2019	43	The Special Protection Group (Amendment) Act, 2019.
2019	48	The Arms (Amendment) Act, 2019.
2020	1	The Insolvency and Bankruptcy Code (Amendment) Act, 2020.
2020	4	The Constitution (Scheduled Tribes) Order (Amendment) Act, 2020.
2020	13	The Aircraft (Amendment) Act, 2020.

1	2	3
2020	17	The Insolvency and Bankruptcy Code (Second Amendment) Act, 2020.
2020	18	The Salaries and Allowances of Ministers (Amendment) Act, 2020.
2020	24	The Homoeopathy Central Council (Amendment) Act, 2020.
2020	25	The Indian Medicine Central Council (Amendment) Act, 2020.
2020	39	The Banking Regulation (Amendment) Act, 2020.
2021	3	The Arbitration and Conciliation (Amendment) Act, 2021.
2021	6	The Insurance (Amendment) Act, 2021.
2021	8	The Medical Termination of Pregnancy (Amendment) Act, 2021.
2021	15	The Government of National Capital Territory of Delhi (Amendment) Act, 2021.
2021	21	The Factoring Regulation (Amendment) Act, 2021.
2021	22	The Coconut Development Board (Amendment) Act, 2021.
2021	26	The Insolvency and Bankruptcy Code (Amendment) Act, 2021.
2021	27	The Central Universities (Amendment) Act, 2021.
2021	28	The Airports Economic Regulatory Authority of India (Amendment) Act, 2021.
2021	30	The Deposit Insurance and Credit Guarantee Corporation (Amendment) Act, 2021.
2021	32	The Constitution (Scheduled Tribes) Order (Amendment) Act, 2021.
2021	37	The General Insurance Business (Nationalisation) Amendment Act, 2021.
2021	38	The National Commission for Indian System of Medicine (Amendment) Act, 2021.
2021	39	The National Commission for Homoeopathy (Amendment) Act, 2021.
2021	43	The National Institute of Pharmaceutical Education and Research (Amendment) Act, 2021.
2021	44	The High Court and Supreme Court Judges (Salaries and Conditions of Service) Amendment Act, 2021.
2021	49	The Election Laws (Amendment) Act, 2021.
2022	8	The Constitution (Scheduled Castes and Scheduled Tribes) Orders (Amendment) Act, 2022.
2022	9	The Constitution (Scheduled Tribes) Order (Amendment) Act, 2022.
2022	10	The Delhi Municipal Corporation (Amendment) Act, 2022.
2022	14	The Weapons of Mass Destruction and their Delivery Systems (Prohibition of Unlawful Activities) Amendment Act, 2022.
2022	19	The Energy Conservation (Amendment) Act, 2022.

1	2	3
2022	20	The Constitution (Scheduled Castes and Scheduled Tribes) Orders (Second Amendment) Act, 2022.
2022	23	The New Delhi International Arbitration Centre (Amendment) Act, 2022.
2023	1	The Constitution (Scheduled Tribes) Order (Second Amendment) Act, 2022.
2023	2	The Constitution (Scheduled Tribes) Order (Fourth Amendment) Act, 2022.
2023	9	The Competition (Amendment) Act, 2023.
2023	11	The Multi-State Co-operative Societies (Amendment) Act, 2023.
2023	12	The Cinematograph (Amendment) Act, 2023.
2023	13	The Constitution (Scheduled Tribes) Order (Amendment) Act, 2023.
2023	14	The Constitution (Scheduled Tribes) Order (Second Amendment) Act, 2023.
2023	16	The Mines and Minerals (Development and Regulation) Amendment Act, 2023.
2023	17	The Offshore Areas Mineral (Development and Regulation) Amendment Act, 2023.
2023	19	The Government of National Capital Territory of Delhi (Amendment) Act, 2023.
2023	27	The Coastal Aquaculture Authority (Amendment) Act, 2023.
2023	36	The Central Universities (Amendment) Act, 2023.

THE SECOND SCHEDULE

(*See* section 3)

AMENDMENTS

Year	Act No.	Short Title	Amendments
1	2	3	4
1897	10	The General Clauses Act, 1897.	In section 27, for the words "registered post", the words "speed post with registration" shall be substituted.
1908	5	The Code of Civil Procedure, 1908.	(*i*) In section 148A, in sub-section (*2*), for the words "registered post, acknowledgement due", the words "speed post with registration and proof of delivery" shall be substituted; (*ii*) In the First Schedule,— (*a*) in Order V, in rule 9,— (*I*) in sub-rule (*3*), for the words "registered post acknowledgement due, addressed to the defendant or his agent empowered to accept the service or by speed post", the words "speed post with registration and proof of delivery addressed to the defendant or his agent empowered to accept the service" shall be substituted; (*II*) in sub-rule (*4*), the brackets and words "(except by registered post acknowledgment due)" shall be omitted; (*III*) in sub-rule (*5*), in the proviso, for the words "registered post acknowledgement due, the declaration referred to in this sub-rule shall be made notwithstanding the fact that the acknowledgement", the words "speed post with registration and proof of delivery, the declaration referred to in this sub-rule shall be made notwithstanding the fact that the proof of delivery" shall be substituted; (*b*) in Order XXI, in rule 1, in sub-rule (*2*), for the words "registered post, acknowledgement due", the words "speed post with registration and proof of delivery" shall be substituted; and (*c*) in Order XXXIX, in rule 3, in the proviso, in clause (*a*), for the words "registered post", the words "speed post with registration" shall be substituted.

1	2	3	4
1925	39	The Indian Succession Act, 1925.	(*i*) In section 3, in sub-section (*1*), the figures ", 213" shall be omitted; (*ii*) section 213 shall be omitted; (*iii*) in section 370,— (*a*) in sub-section (*1*), for the words and figures "or section 213 to be established by letters of administration or probate", the words "to be established by letters of administration" shall be substituted; (*b*) in sub-section (*2*), clause (*b*) shall be omitted.
2005	53	The Disaster Management Act, 2005.	In section 30, in sub-section (*2*), in clause (*vi*), for the word "prevention", the word "preparation" shall be substituted.

DR. RAJIV MANI,
Secretary to the Govt. of India.

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ಸಂಖ್ಯೆ: ಸಂವ್ಯಶಾಇ 49 ಕೇಶಾಪ್ರ 2025 ಬೆಂಗಳೂರು, ದಿನಾಂಕ: 30.12.2025

ದಿನಾಂಕ: 21.12.2025 ರಂದು ಭಾರತ ಸರ್ಕಾರದ ಗೆಜೆಟ್‌ನ ವಿಶೇಷ ಸಂಚಿಕೆಯ Part-II-Section-1 ರಲ್ಲಿ ಪ್ರಕಟವಾದ THE SUSTAINABLE HARNESSING AND ADVANCEMENT OF NUCLEAR ENERGY FOR TRANSFORMING INDIA ACT, 2025 (NO. 39 OF 2025) ಅನ್ನು ಸಾರ್ವಜನಿಕರ ಮಾಹಿತಿಗಾಗಿ ಕರ್ನಾಟಕ ರಾಜ್ಯಪತ್ರದಲ್ಲಿ ಮರು ಪ್ರಕಟಿಸಲಾಗಿದೆ,-

रजिस्ट्री सं॰ डी॰ एल॰—(एन)04/0007/2003—25 REGISTERED NO. DL—(N)04/0007/2003—25

भारत का राजपत्र
The Gazette of India

सी.जी.-डी.एल.-अ.-21122025-268697
CG-DL-E-21122025-268697

असाधारण
EXTRAORDINARY
भाग II — खण्ड 1
PART II — Section 1
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PUBLISHED BY AUTHORITY

सं॰ 63] नई दिल्ली, रविवार, दिसम्बर 21, 2025/अग्रहायण 30, 1947 (शक)
No. 63] NEW DELHI, SUNDAY, DECEMBER 21, 2025/AGRAHAYANA 30, 1947 (Saka)

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Separate paging is given to this Part in order that it may be filed as a separate compilation.

MINISTRY OF LAW AND JUSTICE
(Legislative Department)

New Delhi, the 21*st December,* 2025*/Agrahayana* 30, 1947 *(Saka)*

The following Act of Parliament received the assent of the President on the 20th December, 2025 and is hereby published for general information:—

THE SUSTAINABLE HARNESSING AND ADVANCEMENT OF NUCLEAR ENERGY FOR TRANSFORMING INDIA ACT, 2025

NO. 39 OF 2025

[20*th December,* 2025.]

An Act to provide for the promotion and development of nuclear energy and ionising radiation for nuclear power generation, application in healthcare, food, water, agriculture, industry, research, environment, innovation in nuclear science and technology, for the welfare of the people of India, and for robust regulatory framework for its safe and secure utilisation and for matters connected therewith or incidental thereto.

WHEREAS India having achieved self-reliant capability in production and use of nuclear energy, recognises the potential it offers towards rapidly meeting the ever increasing energy needs of the country through further research and development;

AND WHEREAS India has been pursuing such developments in a responsible way;

AND WHEREAS nuclear energy is a clean and abundant source for electricity and hydrogen production and has the potential to address clean energy needs of Viksit Bharat;

AND WHEREAS India pursues a policy of closed fuel cycle to enable sustainability of nuclear fuel resources as well as safe radioactive waste management, and has adopted a three-stage nuclear power development programme, which aims at full exploitation of India's abundant thorium reserves;

AND WHEREAS speedy development for large scale thorium utilisation requires strong institutional foundations for research, development and usage of next generation technologies;

AND WHEREAS accelerated growth of Artificial Intelligence, high-performance computing, quantum technologies, indigenous semiconductor fabrication and large-scale data-driven research requires stable, reliable, abundant, clean and round-the-clock power supply, which can be ensured through expanded deployment of nuclear energy and necessitating a new legal framework promoting research and innovation in private-sector;

AND WHEREAS application of nuclear science and technology in energy, healthcare, food, water, agriculture, industry, research, environment and other non-power uses and its utilisation in Artificial Intelligence in supporting future-ready applications including advanced materials research, precision manufacturing, space technologies and industrial automation is crucial in fulfilling India's developmental aspirations and achieving sustainable development goals;

AND WHEREAS India is committed to expand the application and deployment of nuclear science and technology to enhance nuclear energy share of the total energy mix;

AND WHEREAS it is desirable to harness the potential of nuclear energy through active involvement of both public and private sectors and to leverage the participation of the domestic industry to contribute to and benefit from the global nuclear energy ecosystem including research, technology, manufacturing, finance, insurance and skill development;

AND WHEREAS India's excellent record in nuclear safety and radiation safety needs to be sustained through enhanced legal and regulatory framework for ensuring continued excellence keeping pace with the large-scale expansion of nuclear power programme, rapidly emerging Artificial Intelligence enabled nuclear and radiation technologies and other radiation applications.

BE it enacted by Parliament in the Seventy-sixth Year of the Republic of India as follows:—

CHAPTER I

PRELIMINARY

Short title and commencement.

1. (*1*) This Act may be called the Sustainable Harnessing and Advancement of Nuclear Energy for Transforming India Act, 2025.

(*2*) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint:

Provided that different dates may be appointed for different provisions of this Act and any reference in any such provision to the commencement of this Act, shall be construed as a reference to the coming into force of that provision.

Definitions.

2. In this Act, unless the context otherwise requires,—

(*1*) "activities" means any activity connected with or incidental to production or use of nuclear energy and ionising radiation and includes radioactive waste management, import, export or transport of prescribed substance or radioactive substance and any other practice or circumstances in which an individual may be subject to radiation exposure;

(*2*) "adjudicating officer" means the adjudicating officer designated as such under sub-section (*2*) of section 70;

(*3*) "Appellate Tribunal" means the Appellate Tribunal for Electricity established under section 110 of the Electricity Act, 2003; 36 of 2003.

(*4*) "Atomic Energy Commission" means the Atomic Energy Commission established by the Government of India Resolution dated the 1st March, 1958;

(*5*) "Board" means the Atomic Energy Regulatory Board constituted under sub-section (*1*) of section 17;

(*6*) "Central Government" means the Department of Atomic Energy;

(*7*) "Claims Commission" means the Nuclear Damage Claims Commission established under section 56;

(*8*) "Claims Commissioner" means the Claims Commissioner designated as such under sub-section (*2*) of section 54;

(*9*) "company" shall have the same meaning as assigned to it in clause (*20*) of section 2 of the Companies Act, 2013, but does not include a company incorporated outside India; 18 of 2013.

(*10*) "Council" means the Atomic Energy Redressal Advisory Council established under section 47;

(*11*) "decommissioning" means permanent discontinuation of the operation of any facility or mine, with or without dismantling the equipment, removal or containment of any prescribed substance or radioactive material, with necessary measures taken for cessation of regulatory or governmental control;

(*12*) "environment" shall have the same meaning as assigned to it in clause (*a*) of section 2 of the Environment (Protection) Act, 1986; 29 of 1986.

(*13*) "facility" includes nuclear facility and radiation facility;

(*14*) "financial security" means a contract of indemnity or guarantee or shares or bonds or such instrument or any combination thereof;

(*15*) "fissile material" means—

(*a*) plutonium;

(*b*) uranium-233;

(*c*) uranium-235;

(*d*) any material containing one or more of the foregoing; and

(*e*) such other material as the Central Government may from time to time notify in this behalf;

(*16*) "Government company" shall have the same meaning as assigned to it in clause (*45*) of section 2 of the Companies Act, 2013; 18 of 2013.

(*17*) "licence" means licence granted by the Central Government under this Act;

(*18*) "licensee" means a person to whom a licence has been granted under this Act;

(*19*) "minerals" include all substances obtained or obtainable from the earth surface or sub-surface of the earth crust, either soil or rock, and the like; and any reference in this Act to the working of minerals shall be construed as including a reference to the mining, getting, carrying away, transporting, sorting, extracting or otherwise treating of minerals;

(*20*) "notification" means notification published in the Official Gazette and the term "notify" or "notified" shall be construed accordingly;

(*21*) "nuclear damage" means any injury, loss or damage caused by a nuclear incident,—

(*a*) occurring in a nuclear installation; or

(*b*) involving a nuclear material originating in, transported from or to, a nuclear installation,

whether arising from the radioactive properties of such material, or from a combination of radioactive properties with toxic, explosive or other hazardous properties of such other material, resulting in—

(*i*) loss of life or personal injury including immediate and long-term health impact to an individual;

(*ii*) loss of, or damage to, property; or

(*iii*) any other loss or damage as may be notified by the Central Government, including—

(*A*) any economic loss;

(*B*) costs of measures taken for the restoration of an impaired environment;

(*C*) any loss of income arising from an economic interest in the use or enjoyment of the environment;

(*D*) the costs of measures taken for preventing and mitigating nuclear damage, and additional loss or damage resulting from such measures;

(*22*) "nuclear energy" means energy released from atomic nuclei as a result of any process, including the fission and fusion processes; and any reference in this Act to the production or use of nuclear energy shall be construed as including a reference to the carrying out of any process, preparatory or subsequent or ancillary to such production or use.

Explanation.—For the removal of doubts, it is hereby clarified that any reference to the expression "atomic energy" in any law or any other instrument having the force of law shall be construed as a reference to nuclear energy as defined in this clause;

(*23*) "nuclear facility" means any plant including the premises and precincts thereof in which source material or fissile material is produced, processed, used, handled, stored or disposed of and includes nuclear power plant, research reactor, fuel fabrication plant, refinement or conversion plant, spent fuel storage facility, enrichment plant, reprocessing plant, facility engaged in management of waste from use of source or fissile material; or any other facility engaged in the use or production of nuclear energy as may be notified by the Central Government, but does not include mining and processing of ores and facilities handling waste arising thereof;

(*24*) "nuclear incident" means any occurrence or a series of occurrences having the same origin that results in nuclear damage or, despite all reasonable measures taken to prevent or mitigate the damage, presents a grave and imminent risk of causing such damage;

(*25*) "nuclear installation" means such nuclear facility where—

(*a*) nuclear fission can occur in a reactor including one driven by external neutrons other than a reactor comprised in any means of transport;

(*b*) nuclear fuel is used for the production or processing of nuclear material, including reprocessing of irradiated nuclear fuel; or

(*c*) nuclear material is stored (other than storage incidental to the carriage of such material),

and several nuclear installations of one operator which are located at the same site shall be considered as a single nuclear installation;

(*26*) "nuclear material" means and includes—

(*a*) nuclear fuel (other than natural uranium or depleted uranium) capable of producing energy by a self-sustaining chain process of nuclear fission outside a reactor, either by itself or in combination with some other material; and

(*b*) any radioactive material produced in, or any material made radioactive by exposure to, the radiation incidental to the production or utilisation of nuclear fuel, but does not include radioisotopes which have left its nuclear installation of origin for final fabrication so as to be usable for any scientific, medical, agricultural, commercial or industrial purpose;

(*27*) "nuclear security" or "security", means measures to prevent, detect and respond to criminal or intentional or unauthorised or malicious acts including unauthorised removal of fissile material and sabotage involving or directed at fissile material, other radioactive material or associated facilities and activities;

(*28*) "operator", in relation to a nuclear installation, means the person who has been granted a licence under this Act for the purpose of operating the nuclear installation;

(*29*) "person" shall include an individual or a company or association or body of individuals, whether incorporated or not, or the Central Government or a State Government;

(*30*) "plant" includes machinery, equipment or appliance, whether affixed to land or not and associated buildings and conveyances;

(*31*) "prescribed" means prescribed by rules made by the Central Government under this Act;

(*32*) "prescribed equipment" means any property which the Central Government may, by notification, specify, being a property which in its opinion is specially designed or adapted or which is used or intended to be used for the production or utilisation of any prescribed substance, or for the production or use of nuclear energy, radioactive substances, or ionising radiation, but does not include mining, milling, laboratory and other equipment not so specially designed or adapted and not incorporated in equipment used or intended to be used for any of the purposes aforesaid;

(*33*) "prescribed substance" means any source material, fissile material and such other material which the Central Government may, by notification, specify, being a substance which in its opinion is or may be used for the production or use of nuclear energy or ionising radiation or matters connected therewith or incidental thereto;

(*34*) "radiation" means ionising radiation such as gamma rays, X-rays, and rays consisting of alpha particles, beta particles, neutrons, protons, positron and other nuclear and sub-atomic particles; but not sound or radio waves or microwaves, or visible, infra-red or ultra-violet light;

(*35*) "radiation facility" means any location or facility, including a mobile facility, involving the use of generating equipment or plant or radioactive material for non-power applications such as in the field of medicine, industry, food, water, environment, research and agriculture;

(*36*) "radioactive substance" or "radioactive material" means any substance or material which spontaneously emits radiation in excess of the levels notified by the Board;

(*37*) "radioactive waste" means any waste material, other than spent fuel, which has no further foreseen use, as determined by the Central Government, containing radionuclides in quantities and concentrations exceeding the level notified by the Board;

(*38*) "reactor" means any engineered facility containing nuclear fuel in such an arrangement that nuclear energy can be produced, extracted or harnessed;

(*39*) "regulations" means regulations made by the Board under this Act;

(*40*) "regulatory document" includes safety codes, safety standards, safety guides, safety manuals and such other documents issued by the Board;

(*41*) "safeguards" means a set of measures necessary to ensure that source material and fissile material are controlled and accounted for, as per the provisions of this Act;

(*42*) "safety" or "nuclear safety" or "radiation safety", means the achievement of proper operating conditions, prevention of accidents or mitigation of accident consequences, resulting in protection of workers, public and environment from harmful effects of radiation risks;

(*43*) "safety authorisation" means a written permission granted by the Board under this Act;

(*44*) "source material" means—

(*a*) uranium containing mixture of isotopes occurring in nature;

(*b*) uranium depleted in the isotope 235;

(*c*) thorium;

(*d*) any of the foregoing in the form of metal, alloy, chemical compound, or concentrate;

(*e*) any other material containing one or more of the foregoing in such concentration; or

(*f*) such other material as the Central Government may, from time to time, notify;

(*45*) "spent fuel" means nuclear fuel that has been irradiated in, and permanently removed from, the reactor core.

CHAPTER II

GRANT OF LICENCE AND SAFETY AUTHORISATION

Licence and safety authorisation for production or use of nuclear energy.

3. (*1*) Subject to the provisions of this Act, the following persons shall be eligible to apply to the Central Government for a licence for the purposes of setting up any of the facilities or undertaking the activities specified in sub-section (*2*), namely:—

(*a*) any Department of the Government of India or any institution or authority or corporation established or owned or controlled by such Government;

(*b*) any Government company;

(*c*) any other company;

(*d*) a joint venture among any of the aforesaid; or

(*e*) any other person expressly permitted by the Central Government, by notification, to set up such facilities or undertake such activities.

(*2*) The licence referred to in sub-section (*1*) shall be mandatory for setting up or undertaking the following facilities and activities for the production, use and disposal of nuclear energy, namely:—

(*a*) build, own, operate or decommission a nuclear power plant or reactor;

(*b*) the fabrication of nuclear fuel including conversion, refining and enrichment of uranium-235 up to such threshold value, or production, use, processing or disposal of other prescribed substance, as may be notified by the Central Government;

(*c*) the transportation or storage of nuclear fuel or spent fuel or any other prescribed substance;

(*d*) the import, export, acquisition, or possession of nuclear fuel or prescribed substance;

(*e*) the import, export, acquisition or use of prescribed equipment;

(*f*) the import or export of any technology or software, that may be used for the development, production or use of prescribed substance or prescribed equipment; or

(*g*) any other facilities or activities as may be notified by the Central Government.

(*3*) The facilities or activities requiring a licence under this section shall also require a safety authorisation if such facilities or activities are likely to subject an individual to radiation exposure, as may be specified by regulations.

(*4*) While setting up the facilities or undertaking the activities referred to in sub-section (*2*),—

(*a*) the source material and fissile material in any form, produced within India or imported, shall remain under the surveillance and control of the Central Government for the purposes of accounting; and shall be subject to such safeguards as may be specified by the Central Government;

(*b*) the spent fuel shall be safely stored for a cooling period of such duration to be determined by the Board or for such further duration as the Central Government may direct, before being delivered to the Central Government for its subsequent management or repatriated to the country of origin;

(*c*) the heavy water used in a nuclear facility shall remain under the supervision of the Central Government for the purposes of accounting; and shall be delivered back to it after its intended use or as directed by the Central Government,

and the cost of delivery and subsequent management of spent fuel or its repatriation under clause (*b*) and delivery of heavy water under clause (*c*), as may be determined by the Central Government, shall be borne by the licensee.

(*5*) The following facilities and activities shall be set up or undertaken exclusively by the Central Government or any institution or factory wholly owned by it, namely:—

(*a*) the enrichment or isotopic separation of prescribed substance or radioactive substance, unless otherwise notified by the Central Government in this behalf;

(*b*) the management of spent fuel, including reprocessing, recycling, separation of radionuclides contained therein and management of high-level radioactive waste arising thereof;

(*c*) the production of heavy water and its upgradation by isotopic separation;

(*d*) any other facilities or activities as may be notified by the Central Government.

Regulation of radioactive substance and radiation generating equipment.

4. (*1*) Any person who seeks to,—

(*a*) manufacture, possess, use, export, import, transport, dispose or transfer by sale or otherwise, any radioactive substance and radiation generating equipment; or

(*b*) establish, operate or decommission a radiation facility or undertake associated activities,

shall obtain a safety authorisation from the Board.

(*2*) The Central Government may, if it considers necessary or expedient so to do in the public interest, require the export, import or manufacture of any category or class of radioactive substances and high energy radiation generating equipment, as may be notified by it, to be carried out under a licence.

(*3*) In the case of radiological emergency as may be specified by regulations, the transport for safe disposal of radioactive substances shall be carried out in accordance with the directions issued by the Central Government.

(*4*) The Central Government may, by rules provide for measures for ensuring the security of radioactive substance during its storage, use, disposal and transport, and for the purpose of securing compliance, may—

(*a*) inspect any consignments or package or conveyance or plant; and

(*b*) maintain national registry of radioactive substances.

(*5*) The Central Government may, either on the recommendations of the Board or if it considers necessary for the prevention of radiation hazards, assume control of any radioactive substance or radiation generating equipment, including for their safe disposal and the cost of such disposal may be recovered from the holder of safety authorisation.

Mining and processing of certain source material.

5. (*1*) The Central Government may undertake any exploration activities for the purpose of discovering the presence of,—

(*a*) any mineral in or on the land including seabed, either in a natural state or in a deposit; or

(*b*) any mineral in waste material obtained from any underground or surface working; or

(*c*) any other material from which in its opinion prescribed substance can be obtained:

Provided that any person who discovers or has reason to believe that uranium or thorium is available at any place in India shall inform the Central Government forthwith.

(*2*) Notwithstanding anything contained in any other law for the time being in force, the working of mines and minerals in onshore or offshore areas containing uranium and thorium and decommissioning of such mines shall be carried out only by the Government, a Government company, or a corporation owned or controlled by the Government, and only under a licence and a safety authorisation:

Provided that such mineral shall be of the grade that is equal to or above the threshold value as may be notified by the Central Government:

Provided further that where the grade of such mineral is below the threshold value, it shall be handled and disposed of in accordance with such order as may be issued by the Central Government in respect of conservation of minerals and by the Board in respect of radiological safety.

(*3*) Where the Central Government is of the opinion that uranium, thorium or any other prescribed substance may reasonably be isolated or extracted from the working of any mine or mineral or from treating or concentrating any material by any physical, chemical or metallurgical process, it may by order,—

(*a*) require such activities to be carried out under a licence and a safety authorisation;

(*b*) impose such terms and conditions as may be deemed necessary, for carrying out the activities; or

(*c*) prohibit carrying out of such activities.

(*4*) Where the Central Government imposes any terms and conditions under clause (*b*) of sub-section (*3*), or orders any prohibition under clause (*c*) of that sub-section, it may pay compensation to the affected person in accordance with section 36.

(*5*) All uranium or thorium mined, isolated or extracted, and any minerals, concentrates or other materials, whether mined, treated or concentrated, containing uranium or thorium in their natural state beyond such proportion as may be notified by the Central Government, shall vest in that Government and shall not be sold, transferred, or otherwise disposed of except with its prior permission and in accordance with such terms and conditions and such safeguards as may be specified by the Central Government.

(*6*) Any material referred to in sub-section (*5*) including any tailings, reject, byproduct or residue containing uranium and thorium below the proportion notified under that sub-section which in the opinion of the Central Government does not have any foreseen use shall be treated as hazardous substance and handled in accordance with the provisions of the Environment (Protection) Act, 1986.

29 of 1986.

(*7*) In case of non-compliance by any person with the provisions of this section or where required in the interest of national policy or public interest or public safety, the Central Government may compulsorily acquire any mineral, concentrate or substance and require such mineral, concentrate or substance to be delivered to it or to such authority as it may direct.

Application for licence and safety authorisation.

6. (*1*) An application for licence shall be made in such form and manner, accompanied by such documents, information and fee, as may be prescribed.

(*2*) An application for safety authorisation shall be made in such form and manner, accompanied by such documents, information and fee as may be specified by regulations.

Conditions for grant of licence or safety authorisation.

7. (*1*) Upon an application made under sub-section (*1*) of section 6, the Central Government may grant a licence in such manner and subject to such terms and conditions as may be prescribed, including compliance with the financial, technical, management and other organisational capabilities covering the aspects of design, construction, commissioning, operation, maintenance, life management, decommissioning, quality assurance, radioactive waste management, liability, security, as it may deem necessary, for the entire life time of the facility or mine.

(*2*) Upon an application made under sub-section (*2*) of section 6, the Board may grant a safety authorisation in such manner and subject to such terms and conditions as may be specified by regulations including compliance with applicable regulatory documents.

(*3*) Where an applicant applies to undertake two or more activities in relation to a facility, the Central Government or the Board may grant a single composite licence or safety authorisation to undertake all or part of the activities for which the application has been made.

(*4*) Notwithstanding anything contained in this Act, no licence may be granted to—

(*a*) any company, if the Central Government knows or has reason to believe that it is owned, controlled or dominated by entities who are inimical to defence and national security, or health and safety of the public;

(*b*) any person in India, if in the opinion of the Central Government, the issuance of a licence to such person would be inimical to defence and national security, or health and safety of the public.

(*5*) A licence or safety authorisation granted under this Act shall be valid for such period as may be determined by the Central Government or the Board, as the case may be.

(*6*) The Central Government or the Board may, upon application, extend or renew any licence or safety authorisation for such period as may be deemed necessary.

(*7*) Any licence or safety authorisation granted under this Act shall not be transferable except with the prior permission of the Central Government or the Board, as the case may be.

(*8*) Nothing in this section shall affect the authority of the Central Government or the Board to refuse a licence or a safety authorisation for reasons to be recorded in writing.

(*9*) The Central Government or the Board may, on an application or otherwise in the public interest, make such alterations or amendments in the terms and conditions of the licence or safety authorisation, as may be deemed fit.

Suspension or cancellation, etc., of licence or safety authorisation.

8. (*1*) The Central Government or Board may, by order, and after giving an opportunity of hearing to the person granted licence or safety authorisation under this Act, modify, suspend, cancel or curtail the duration of the licence or the safety authorisation for mines, facilities or activities, at any time, if in its opinion, the person contravenes or fails to comply with—

(*a*) any provision of this Act or the rules or regulations made thereunder;

(*b*) any term or condition attached to the licence or safety authorisation; or

(*c*) any condition imposed or direction issued by the Central Government or the Board.

(*2*) Notwithstanding anything contained in sub-section (*1*), the Central Government may modify, suspend, cancel or curtail the duration of the licence, if at any point of time,—

(*a*) the Central Government knows or has reasons to believe that the licensee is owned, controlled, or dominated by entities who are inimical to defence and national security or health and safety of the public;

(*b*) the financial position of the licensee has deteriorated to such an extent that it may no longer be able to operate the licensed business in a safe, secure or reliable manner;

(*c*) there exists any conduct, omission or circumstance, whether by act or default, which poses a material risk to the continuity of operation of the licensed business;

(*d*) the continuation of the licence is likely to be prejudicial to public interest, health or safety of public or environment or national security or safeguards or nuclear security.

(*3*) Upon suspension or modification or curtailment of duration of a licence, the licensee shall take all measures to comply with the directions issued by the Central Government, failing which the licence may be cancelled:

Provided that no licence shall be suspended for more than one year.

(*4*) Upon cancellation of the licence, the Central Government shall take under its control, the licensed facility or mine and ensure compliance with the safety, security, safeguard and any other obligations, in such manner as may be prescribed and take measures for the continuity of the licensed business.

(*5*) Before cancellation of a licence under this section, the Central Government shall take into consideration the following factors, namely:—

(*a*) administration of the business on cancellation of the licence;

(*b*) measures for protection of interests of lenders, investors, consumers and other stakeholders;

(*c*) transition plans for continuity of the licensed business.

Exemption of research, development and innovation activities from licence.

9. (*1*) A person may carry out research, development, design and innovation in matters related to nuclear energy and radiation for the peaceful use except for the activities exclusively reserved for Central Government under sub-section (*5*) of section 3 or has national security implications.

(*2*) While carrying out the activities under sub-section (*1*), adequate safety and security shall be ensured to protect the persons, public and the environment.

(*3*) Nothing in this section shall prevent the Central Government from permitting, subject to such conditions as it may deem fit to impose, the use of small quantities of prescribed substance as may be determined by the Central Government to be necessary for the conduct of research under this section.

CHAPTER III

DUTIES AND LIABILITIES

Duties of persons granted licence or safety authorisation and other persons.

10. (*1*) Any person who has been granted licence or safety authorisation shall—

(*a*) not undertake any activity other than the purpose for which licence or safety authorisation is granted;

(*b*) handle the prescribed substance or radioactive substance or operate the prescribed equipment or radiation generating equipment in accordance with the terms and conditions of the licence or safety authorisation and subject to such safeguards, if any, provided in the purchase agreement.

(*2*) Any employer of a facility, occupier of a factory, owner of a mine or any other person in possession of radioactive substance or radiation generating equipment shall have the prime responsibility for the safety, security and safeguards and shall comply with such terms and conditions as may be prescribed.

(*3*) Without prejudice to the generality of the foregoing provisions, every person who has been granted a licence or safety authorisation under this Act, shall—

(*a*) comply with the terms and conditions of the licence and safety authorisation and the rules, regulations, orders and regulatory documents issued under this Act in respect of safety, security and safeguards, quality assurance and control, radioactive waste management, decommissioning of the facilities, and maintaining design support throughout the life time of the facility or mine;

(*b*) maintain such books of account or other documents or records as the Central Government or the Board may require;

(*c*) furnish such periodic returns and reports to the Central Government or the Board, as may be required;

(*d*) provide access and necessary infrastructure to the authorised representatives of the Central Government and the Board including their resident officers and employees at site, for the conduct of inspection and investigations;

(*e*) maintain sufficient financial security, in such manner as may be prescribed,—

(*i*) to ensure safe disposal of radioactive substances and decommissioning of the facility or mine; and

(*ii*) for settlement of claims for compensation arising from any injury, loss or damage, other than nuclear damage, caused by radiation or radioactive contamination either at the facility or mine or in the surrounding areas or during transportation.

Liability of operator of nuclear installation.

11. (*1*) Notwithstanding anything contained in this Act, the operator of the nuclear installation shall be liable for nuclear damage caused by a nuclear incident—

(*a*) in that nuclear installation; or

(*b*) involving nuclear material transported from that nuclear installation and occurring before—

(*i*) the liability for nuclear incident involving such nuclear material has been assumed, pursuant to a written agreement by another operator;

(*ii*) another operator has taken custody of such nuclear material;

(*iii*) the person duly authorised to operate a reactor has taken custody of the nuclear material intended to be used in such reactor comprised in any means of transport; or

(*iv*) such nuclear material has been unloaded from the means of transport by which it was sent to a person within the territory of a foreign State;

(*c*) involving nuclear material transported to that nuclear installation and occurring after—

(*i*) the liability for nuclear incident involving such nuclear material has been transferred to that operator, pursuant to a written agreement, by the operator of another nuclear installation;

(*ii*) that operator has taken custody of such nuclear material;

(*iii*) that operator has taken custody of such nuclear material from a person operating a reactor comprised in any means of transport;

(*iv*) such nuclear material has been loaded, with the written consent of that operator, on the means of transport by which it is to be carried from the territory of a foreign State.

(*2*) Where more than one operator is liable for nuclear damage, the liability of the operators so involved shall, in so far as the damage attributable to each operator is not separable, be joint and several:

Provided that the total liability of such operators shall not exceed the extent of liability specified in the Second Schedule.

(*3*) Where several nuclear installations of one and the same operator are involved in a nuclear incident, such operator shall, in respect of each such nuclear installation, be liable to the extent of liability specified in the Second Schedule.

(*4*) For the purposes of this section,—

(*a*) where nuclear damage is caused by a nuclear incident occurring in a nuclear installation on account of temporary storage of material-in-transit in such installation, the person responsible for transit of such material shall be deemed to be the operator;

(*b*) where a nuclear damage is caused as a result of nuclear incident during the transportation of nuclear material, the consignor shall be deemed to be the operator;

(*c*) where any written agreement has been entered into between the consignor and the consignee or the consignor and the carrier of nuclear material, as the case may be, the person liable for any nuclear damage under such agreement shall be deemed to be the operator;

(*d*) where both nuclear damage and damage other than nuclear damage have been caused by a nuclear incident or, jointly by a nuclear incident and one or more other occurrences, such other damage shall, to the extent it is not separable from the nuclear damage, be deemed to be a nuclear damage caused by such nuclear incident.

Operator not liable in certain circumstances.

12. (*1*) An operator shall be liable for any nuclear damage except the damage caused by a nuclear incident due to—

(*a*) a grave natural disaster of an exceptional character; or

(*b*) an act of armed conflict, hostility, civil war, insurrection or terrorism:

Provided that an operator shall not be liable for any nuclear damage caused to,—

(*i*) the nuclear installation itself and any other nuclear installation including a nuclear installation under construction, on the site where such installation is located;

(*ii*) any property on the same site which is used or to be used in connection with any such installation; or

(*iii*) the means of transport upon which the nuclear material involved was carried at the time of nuclear incident.

(*2*) Where any nuclear damage is suffered by a person on account of his own negligence or from his own acts of commission or omission, the operator shall not be liable to such person.

Limits of liability for nuclear incident.

13. (*1*) The maximum amount of liability in respect of each nuclear incident shall be the rupee equivalent of three hundred million Special Drawing Rights or such higher amount as the Central Government may, by notification, specify.

(*2*) The maximum amount of liability of an operator in respect of each nuclear incident for different categories of nuclear installation shall be as specified in the Second Schedule:

Provided that the amount of liability shall not include any interest or cost of proceedings.

(*3*) The Central Government may take additional measures, where necessary, if the compensation to be awarded under this Act exceeds the amount specified under sub-section (*1*), including seeking funds under the Convention on Supplementary Compensation for Nuclear Damage signed at Vienna on the 27th day of October, 2010 to which the Republic of India is a signatory.

Explanation.—For the purposes of this section, the expression "Special Drawing Rights" means an international reserve asset created by International Monetary Fund the value of which is determined and allocated by it to the member countries.

Liability of Central Government.

14. (*1*) The Central Government shall be liable for nuclear damage in respect of a nuclear incident—

(*a*) where the liability exceeds the amount of liability of an operator specified in the Second Schedule, to the extent such liability exceeds the liability of the operator;

(*b*) occurring in a nuclear installation owned by it; and

(*c*) occurring on account of causes specified in sub-section (*1*) of section 12:

Provided that the Central Government may, by notification, assume full liability for a nuclear installation not operated by it if it is of the opinion that it is necessary in the public interest to do so.

(*2*) For the purpose of meeting its liability under clause (*a*) or clause (*c*) of sub-section (*1*), the Central Government may establish a fund to be called the Nuclear Liability Fund, in such manner, as may be prescribed.

Operator to maintain insurance or financial securities.

15. (*1*) The operator shall, before operation of nuclear installation, obtain an insurance policy or such other financial security or combination of both, covering the liability specified in the Second Schedule and in such manner as may be prescribed.

(*2*) The operator shall from time to time renew the insurance policy or other financial security before the expiry of the period of validity thereof.

(*3*) The provisions of this section shall not apply to a nuclear installation owned by the Central Government.

Operator's right of recourse.

16. The operator of the nuclear installation, after paying the compensation for nuclear damage as specified in the Second Schedule, shall have a right of recourse where—

(*a*) such right is expressly provided for in a contract in writing; or

(*b*) the nuclear incident has occurred as a result of commission or omission of an individual with an intention to cause nuclear damage.

CHAPTER IV

ATOMIC ENERGY REGULATORY BOARD

Constitution of Atomic Energy Regulatory Board.

17. (*1*) The Atomic Energy Regulatory Board constituted by exercising the power under section 27 of the Atomic Energy Act, 1962 shall be deemed to have been constituted under this Act.

33 of 1962.

(*2*) The Board shall consist of a Chairperson, a Whole-time Member and Part-time Members not exceeding seven, to be appointed by the Central Government, by notification, to exercise the powers conferred upon, and to perform the functions assigned to it under this Act.

(*3*) The Chairperson and Members of the Board shall be appointed from amongst persons of ability, integrity and standing and their qualifications, experience and other terms and conditions of service including age limit, shall be such as may be prescribed:

Provided that the Chairperson and a Whole-time Member of the Board shall be a person of eminence in the field of nuclear energy.

(*4*) The Chairperson and Members of the Board shall be appointed by the Central Government on the recommendations of a search-cum-selection committee to be constituted by the Atomic Energy Commission:

Provided that the search-cum-selection committee constituted for selection of the Members of the Board shall include the Chairperson of the Board as one of its Members.

(*5*) The procedure to be followed by the search-cum-selection committee for recommending the names under sub-section (*3*) shall be such as may be prescribed.

(*6*) The Chairperson shall have such financial and administrative powers as may be notified by the Central Government for the autonomous functioning of the Board.

Terms and conditions of service of Chairperson and Members of Board.

18. (*1*) The Chairperson and Members of the Board shall hold office for a period of three years from the date on which they enter upon office which may be extended for a further period not exceeding three years at a time, as may be notified by the Central Government.

(*2*) The Chairperson and Members of the Board holding the office as such immediately before the commencement of this Act shall be deemed to have been appointed under this Act and their terms and conditions of service shall be governed by the provisions of this Act.

(*3*) The Chairperson or the Whole-time Member who was in service of the Central Government, shall be deemed to have retired from service on the date on which he enters upon office as such, but his subsequent service as the Chairperson or Whole-time Member shall be reckoned as continuing approved service counting for pension in service to which he belonged.

(*4*) The Chairperson and Members of the Board shall not—

(*a*) communicate, during holding of office as such or thereafter or reveal to any person any matter which has been brought under their consideration or knowledge while acting as such;

(*b*) accept, during their term and for a period of two years from the date on which they cease to hold office, any employment with any person who has been granted a licence or safety authorisation under this Act.

Resignation and removal of Chairperson or Member of Board.

19. (*1*) The Chairperson or any Member of the Board may relinquish their office by giving a prior notice in writing under his hand addressed to the Central Government, of not less than three months.

(*2*) The Central Government shall remove from office the Chairperson or a Member of Board, who—

(*a*) has been adjudged an insolvent;

(*b*) has been convicted of an offence which, in the opinion of the Central Government, involves moral turpitude;

(*c*) has become physically or mentally incapable of acting as Chairperson or a Member;

(*d*) has acquired such financial or other interest as is likely to affect prejudicially his functions as Chairperson or a Member; or

(*e*) has so abused his position as to render his continuance in office detrimental to the public interest:

Provided that no Chairperson or Member shall be removed under clause (*d*) or clause (*e*) unless he has been given an opportunity of being heard in the matter.

Filling up vacancies of Board.

20. The Central Government shall, from the date of occurrence of any vacancy by reason of death, resignation or removal of the Chairperson or the Members of the Board make a reference to the search-cum-selection committee for the filling of the post within a period of three months.

Meetings of Board.

21. The Board shall meet at such times and places and shall observe such rules of procedure in regard to the transaction of business at its meetings, including quorum, as may be specified by regulations.

Vacancies, etc., not to invalidate proceedings of Board.

22. No act or proceeding of the Board shall be invalid merely by reason of—

(*a*) any vacancy in, or any defect in the constitution of the Board;

(*b*) any defect in the appointment of a person acting as a Member of the Board; or

(*c*) any irregularity in the procedure of the Board not affecting the merits of the case.

Officers and employees of Board.

23. (*1*) The Board shall determine the number, nature and categories of officers and other employees as it considers necessary, for the efficient discharge of its functions and exercise of its powers under this Act and the Central Government shall provide the Board with such officers and other employees.

(*2*) The salaries, allowances, incentives, entitlements and other conditions of service of officers and employees of the Board referred to in sub-section (*1*) shall be such as may be prescribed.

(*3*) The Board may, subject to such terms and conditions as may be specified by the Central Government, appoint such number of consultants or experts, as it may consider necessary, for the efficient discharge of its functions under this Act.

(*4*) The Chairperson shall nominate one of the officers of the Board having at least twenty years of experience in nuclear science and technology, to serve as a Secretary of the Board.

(*5*) The Chairperson, Members, Secretary, officers and other employees of the Board shall be deemed, when acting or purporting to act in pursuance of any of the provisions of this Act, to be public servants in accordance with clause (*28*) of section 2 of the Bharatiya Nyaya Sanhita, 2023.

45 of 2023.

Powers and functions of Board.

24. (*1*) The Board may take such measures as it may consider necessary, for the purposes of ensuring that the use of radiation and nuclear energy is safe for the health of the workers, the public and the environment.

(*2*) The Central Government may, if required for the purposes of this Act, provide the Board with access to research centres, academic institutions, research laboratories, experimental facilities, training facilities, technical and scientific support, expertise related to nuclear and radiation technology and related safety aspects.

(*3*) The Board may,—

(*a*) notify the limits of radiation exposure to the workers and the public and specify limits for radioactive releases and discharges to environment;

(*b*) devise and implement policies and programmes for—

(*i*) radiation safety and nuclear safety including security aspects having bearing on safety;

(*ii*) occupational health and safety aspects of the workers in relation to factories entrusted to it under section 42;

(*c*) frame safety standards and safety codes and such other regulatory documents for—

(*i*) safety in design, siting, construction, commissioning, operation and decommissioning of nuclear and radiation facilities;

(*ii*) quality assurance, management system, emergency preparedness and response, radiation protection and radioactive waste management;

(*iii*) safety in storage and transportation of radioactive substance or material;

(*iv*) qualification, training and recognition of qualified or certified personnel employed in facilities handling prescribed substance or radioactive substance;

(*v*) safe working conditions for occupational workers including pre-employment and periodical medical examination;

(*vi*) any other matter as the Board may consider necessary;

(*d*) make recommendations to the Central Government for suspension, modification, cancellation or curtailment of the duration of the licence;

(*e*) frame regulations for,—

(*i*) the grant of safety authorisation during various stages of the life time of nuclear and radiation facilities and associated activities including type approval to design of radiation equipment, authorisation for storage, transfer and disposal of radioactive wastes, approval of package and shipment of radioactive consignments;

(*ii*) the recognition and certification of persons for performing the tasks or carrying out the functions entrusted to them, in or in relation to, a facility,

and establish suitable mechanism for its implementation;

(*f*) specify the criteria for reporting of nuclear incidents, and within a period of fifteen days from the date of occurrence of such nuclear incidents, provide its recommendations to the Central Government for notifying such incidents under section 26;

(*g*) ensure high quality safety management at all places where nuclear and radiation related activities are carried out;

(*h*) ensure transparency by a planned public outreach and engagement with interested parties on matters relating to nuclear safety without disclosing restricted information under section 39;

(*i*) strive to be a knowledge organisation with state-of-the-art scientific capabilities in the domain of its responsibilities;

(*j*) arrange for or conduct research in areas relevant to its functions and develop linkages with technical support organisations;

(*k*) interact with international organisations engaged in activities relevant to the functions of the Board with due governmental approvals;

(*l*) recognise agencies, institutes, and testing and calibration laboratories;

(*m*) advise the Central Government with respect to—

(*i*) safety of public and the environment;

(*ii*) any radiological surveillance of environment;

(*iii*) preparedness in response to nuclear and radiation emergencies;

(*n*) exempt from the requirement of safety authoritsation, by notification, subject to such conditions specified therein, any radioactive material, any class or classes of radioactive material or any radiation generating plant;

(*o*) engage with the institutions, laboratories, agencies, technical support organisations, industries, specialists, individual experts and professionals of integrity and outstanding ability, who have expertise in scientific, technical, sociological, legal, public communication, and such other disciplines related to nuclear, radiation and industrial safety;

(*p*) coordinate with any other regulator or authority and enter into Memorandum of Understanding with such regulator or authority for the effective discharge of its functions;

(*q*) constitute advisory or such other committees consisting of domain experts and delegate such powers to the committee as it deems necessary, except the power to frame regulations or issue regulatory documents; and

(*r*) exercise such other powers and perform such other functions as may be prescribed.

(*4*) The Board may issue such directions to the holders of safety authorisations and other persons, as it may consider necessary, in the interests of safety.

Regulation of activities of strategic nature.

25. (*1*) The Central Government, in addition to the activities specified in sub-section (*5*) of section 3, for the purposes of national defence and security, may carry out certain activities and for the said purpose, exempt from the authority of the Board, any prescribed substance or radioactive substance or facilities and activities along with premises, assets and areas associated with such substance, facilities or activities.

(*2*) The Central Government may, for the purposes of sub-section (*1*) or for the design and development of advance nuclear reactor, by order, constitute one or more regulatory bodies to exercise the powers and discharge the functions relating to safety, security, safeguards, licensing and such other matters in respect of the jurisdiction, as may be specified in the order.

(*3*) The regulatory bodies constituted under sub-section (*2*), shall report to the Central Government the release of radiation or radioactive material exceeding the authorised limits from the facilities and activities within their respective jurisdiction specified in the order under sub-section (*2*).

(*4*) The Central Government may take such measures as may be considered necessary and expedient in the public interest, for—

(*a*) securing safety of public and environment from all radiation exposure situations; and

(*b*) safe disposal of radioactive wastes or disused or orphan or legacy radiation sources or incidental radioactive material.

Notification of nuclear incident.

26. Upon the receipt of recommendations from the Board under clause (*f*) of sub-section (*3*) of section 24, the Central Government shall, within a period of ten days, notify the nuclear incident:

Provided that where the Central Government is satisfied that the gravity of the threat and risk involved in a nuclear incident is insignificant, it shall not be required to notify such nuclear incident.

Delegation and review by Board.

27. (*1*) The Board may, by order, delegate to the Chairperson or Whole-time Member or its officer or officer of the State Government not below the rank of a Director, subject to such conditions and limitations, if any, as may be specified in the order, such of its powers and functions, except the power to frame regulations and issue regulatory documents, as it may deem necessary.

(*2*) Any person aggrieved by an order or decision of the Chairperson or Whole-time Member or officer to whom powers have been delegated under sub-section (*1*), may file an application to the Board for review of that order or decision in such manner as may be specified by regulations.

CHAPTER V

INSPECTION, INVESTIGATION, SEARCH AND SEIZURE

Entry and inspection.

28. (*1*) Any person authorised by the Central Government or the Board, including their officers and employees at sites, may enter and inspect at all reasonable hours,—

(*a*) any facility or mine licensed under this Act;

(*b*) any mine, premises, plant, facility or land or any vehicle, vessel or aircraft, where he has reason to believe that work is being carried out for the purpose of or in connection with—

(*i*) the production and processing of any prescribed substance, radioactive substance or substances from which a prescribed substance can be obtained; or

(*ii*) the production, development or use of nuclear energy including manufacturing of prescribed equipment, systems, structures and components of a facility.

(*2*) The manner of carrying out inspection and verification for ascertaining compliance with the provisions of this Act, the rules or regulations made thereunder, any directions issued, or the terms of a licence and safety authorisation, shall be such as may be prescribed.

Conduct of investigation.

29. (*1*) The Central Government or the Board, upon—

(*a*) a complaint by any person;

(*b*) occurrence of a nuclear or radiological event;

(*c*) review of returns or reports received under clause (*c*) of sub-section (*3*) of section 10; or

(*d*) findings of inspection conducted under section 28,

may carry out an investigation where it has reasonable grounds to believe that—

(*i*) there has been violation of the terms of a licence or safety authorisation or any provision of this Act, the rules or regulations made or directions issued thereunder; or

(*ii*) the activities are being conducted in a manner detrimental to safety, security or the implementation of safeguards.

(*2*) The manner of conduct of investigation under sub-section (*1*), shall be such as may be prescribed.

(*3*) The Central Government or the Board may cause the expenses of an inspection and investigation under this section to be borne by the licensee or the holder of a safety authorisation or other persons, as the case may be.

Search and seizure.

30. (*1*) Where the Central Government or the Board has reasonable grounds to believe that—

(*a*) any person who under this Chapter is required to produce, or cause to be produced, any books, registers, documents, records, data, plant or material in his custody or power, is likely to omit or fail or has omitted or failed to so produce;

(*b*) any such books, registers, documents, records, data, plant, or material are likely to be tampered with, altered, mutilated, manufactured, falsified or destroyed; or

(*c*) any provision of this Act has been, or is likely to be, violated by a licensee or holder of a safety authorisation or by any other person,

it may authorise any of its officer to conduct a search of any place, building or facility and seize any such books, registers, documents, records, data, plant, or material referred to in clause (*a*).

(*2*) The manner of carrying out search and seizure under sub-section (*1*) shall be such as may be prescribed.

(*3*) The officer conducting the search may requisition the services of any police officer or of any officer of the Central Government, or of both, as the case may be, for assistance related to any of the purposes covered in sub-section (*1*) and it shall be the duty of every such police officer or officer to comply with such requisition.

Action taken pursuant to investigation, search or seizure.

31. (*1*) On conclusion of the investigation or search or seizure under this Chapter and after giving an opportunity to the holder of a safety authorisation or such other person to make a representation, the Board may take such measures as may be considered necessary to enforce compliance with safety requirements and to prevent further injury to persons or damage to property or environment from exposure to radiation or contamination by radioactive substances.

(*2*) The measures referred to in sub-section (*1*) shall include,—

(*a*) sealing the equipment, facility, mine, plant, premises, place, vehicle, vessel or aircraft;

(*b*) imposing requirements, prohibitions or restrictions on employers, employees or other persons;

(*c*) issuing such directions to licensees, holders of safety authorisations or other persons as it may consider necessary in the interests of safety;

(*d*) issuing directions to hand over the material or equipment to the Central Government;

(*e*) advising the Central Government to take control of the radioactive material, equipment, plant, facility or mine if the owner thereof cannot be identified;

(*f*) derecognising or decertifying any recognised or certified personnel.

(*3*) On conclusion of the investigation or search or seizure under this Chapter and after giving an opportunity to the licensee to make a representation, the Central Government shall have the power to seal any premises and seize, retain and dispose of any article or take control over any material or plant, if it has reasonable grounds to believe that a violation of this Act or of any rules, regulations, security measures or safeguards has occurred.

(*4*) Without prejudice to the generality of the foregoing powers, the Central Government or the Board may, by an order in writing,—

(*a*) issue a warning to the licensee or holder of safety authorisation or other person, if the business or activities are likely to violate the terms of the licence or safety authorisation or the provisions of this Act;

(*b*) require the licensee or holder of safety authorisation or other person, to,—

(*i*) cease and desist from committing or causing any violations of the terms of the licence or safety authorisation or the provisions of this Act;

(*ii*) modify its business or activities for ensuring compliance with the terms of the licence or the safety authorisation or the provisions of this Act;

(*iii*) take any such action in respect of any matter arising out of the investigation as the Central Government or the Board may think fit;

(*c*) temporarily suspend or discontinue the business or activities of the licensee or the holder of safety authorisation, or any other person found to be in violation of the terms of the licence or safety authorisation or any provision of this Act;

(*d*) modify, suspend, cancel or curtail the duration of any licence or safety authorisation in accordance with section 8.

CHAPTER VI

GENERAL POWERS AND FUNCTIONS OF CENTRAL GOVERNMENT

General powers and functions of Central Government.

32. (*1*) The Central Government shall have powers to frame—

(*a*) the National Nuclear Energy Policy consistent with the National Electricity Policy prepared under section 3 of the Electricity Act, 2003; 36 of 2003.

(*b*) the National Policy for Safety, Security and Safeguards;

(*c*) the National Policy for Management of Spent Fuel and Radioactive Waste;

(*d*) policies for quality assurance and quality control of facilities including their manufacturing and construction; and

(*e*) such other policies as may be considered necessary for the purposes of discharging its functions under this Act.

(*2*) The Central Government may create such funds as may be considered necessary for the purposes of carrying out the provisions of this Act.

(*3*) The Central Government may do all such things including establishing Directorates, Wings and Divisions under it, as it may deem necessary or expedient for the purposes of exercising any of its powers or discharging any of its functions under this Act.

(*4*) Without prejudice to any other functions assigned to it under this Act, the Central Government shall perform the following functions, namely:—

(*a*) formulating strategies for policies framed under sub-section (*1*) and overseeing their implementation;

(*b*) providing services related to environmental surveillance, personnel monitoring, dosimetry and other matters related to radiological protection;

(*c*) coordinating and supporting Government agencies to ensure nuclear and radiological emergency preparedness and response.

Vesting of acquisition rights in certain cases.

33. (*1*) Notwithstanding anything contained in any other law for the time being in force, the acquisition rights shall vest exclusively with the Central Government in respect of the following, namely:—

(*a*) any prescribed substance;

(*b*) any mine or mineral or material or right to work on such mine or mineral from which, in the opinion of the Central Government, any of the prescribed substance can be obtained;

(*c*) any radioactive substance;

(*d*) any prescribed equipment; or

(*e*) any plant designed or adapted for—

(*i*) the mining or processing of prescribed substances or any minerals from which prescribed substances can be obtained;

(*ii*) the production or use of any prescribed substance or radioactive substance; or

(*iii*) the production, use or disposal of such substance as are likely to be required for or in connection with the production, use or disposal of nuclear energy or for research into matters connected therewith.

(*2*) In case a plant or any reactor is abandoned at any stage after its commissioning or after the initial nuclear fuel loading, regardless of cause, all acquisition rights shall vest in the Central Government, including assets thereof free from all encumbrances.

(*3*) The manner in which acquisition shall be carried out in this section shall be such as may be prescribed.

(*4*) The compensation payable in respect of acquisition under this section shall be determined and paid in accordance with section 36.

(*5*) No acquisition of any mine or mineral, concentrate, other material, substance, equipment or plant under this section shall be deemed to be a sale for any purpose whatsoever.

(*6*) Upon acquisition of any plant or reactor under this section, the Central Government shall take such measures as may be necessary, for—

(*a*) the development and safe operation of the plant;

(*b*) the disposal of the prescribed substance;

(*c*) spent fuel management;

(*d*) waste management; and

(*e*) decommissioning, decontamination or dismantling of the plant and site remediation,

and levy such cost on the licensee for any of the aforesaid activities as it may deem fit.

Requisitioning of certain substances.

34. (*1*) The Central Government shall have the right to require any substance, which in its opinion, contains uranium, thorium, plutonium or any of their isotopes or any other source material or fissile material, to be delivered to it and the Central Government may extract from that substance the uranium, thorium, plutonium or any of their isotopes or such other source material or fissile material contained therein and return the substance to the person concerned on payment of compensation as determined in accordance with section 36.

(*2*) Nothing in this section shall prevent the Central Government from permitting, subject to such conditions as it may deem fit to impose, the use of small quantities of natural uranium or thorium in excess of the exempt quantities notified under section 44, as may be determined by the Central Government to be necessary for the purpose of examination, test, analysis or any other non-nuclear applications.

Novation of contracts.

35. (*1*) The Central Government may serve on the parties to a contract, not being a contract for rendering of personal services, relating to—

(*a*) prospecting or mining of any substance from which uranium or thorium or other prescribed substance can be obtained;

(*b*) production or use of nuclear energy; or

(*c*) research into matters connected to clause (*a*) or clause (*b*),

a notice in writing stating that on such date as may be specified therein, the rights and liabilities of any of the parties to such contract shall be transferred to the Central Government.

(*2*) A notice served under sub-section (*1*) shall specify the time and manner for making an objection and the Central Government shall provide the person making the objection an opportunity to appear and be heard by an officer authorised by it for the purpose who shall hear the matter and submit a report thereon to the Central Government.

(*3*) Upon receipt of the report under sub-section (*2*), the Central Government may pass such order as it may deem fit.

(*4*) With effect from the date specified in the notice served under sub-section (*1*) and subject to the order passed under sub-section (*3*),—

(*a*) the contract shall operate as if the Central Government were a party in place of the person whose rights and liabilities have been transferred to it; and

(*b*) every reference in the contract to that person shall be deemed a reference to the Central Government, in respect of the rights exercisable, or liabilities incurred, on or after that date.

(*5*) Where the rights and liabilities of a party to a contract are transferred to the Central Government under this section, there shall be paid a compensation in respect of any loss suffered by that party, as may be agreed between that party and the Central Government.

Determination of compensation for acquisition, requisition, prohibition, etc.

36. (*1*) Where any compensation is payable under this Act for the acquisition of any right for working of mines or minerals or acquisition or requisition of any mineral, concentrates, other material, equipment or plant or mine or the prohibitions or conditions imposed or works related to discovery of minerals, the Central Government shall, while determining the amount of such compensation, have regard to,—

(*a*) in the case of compensation payable for the purpose of discovering uranium or thorium under sub-section (*1*) of section 5,—

(*i*) the nature of the work done;

(*ii*) the manner, extent and duration of such discovery;

(*iii*) the diminution in the rent of the land and of the property situated at the site of such discovery, which might reasonably be expected over any period; or

(*iv*) the diminution in the market value of the land and property on the date of such discovery;

(*b*) in the case of compensation payable for the compulsory acquisition or requisition of any plant, mine, substance or equipment under section 33 or section 34, the price which the owner might reasonably have been expected to obtain on a sale of the property effected by him immediately before the date of the acquisition or the requisition;

(*c*) where the amount of compensation is fixed by an agreement, it shall be paid in accordance with such agreement.

(*2*) For the purposes of compensation under sub-section (*1*),—

(*a*) the value of uranium, thorium, plutonium or any of their isotopes, contained in any substance or material including the cost of transportation shall not form part of the compensation;

(*b*) the value shall not exceed the cost incurred by the person in the production, mining or irradiation of the substance.

Special provision as to electricity.

37. (*1*) Notwithstanding anything contained in the Electricity Act, 2003, the Central Government shall fix the tariff for supply of electricity from nuclear power plants based on such norms and mechanisms as may be specified by it by notification. 36 of 2003.

(*2*) While specifying the norms and mechanisms under sub-section (*1*), the Central Government shall have regard to the cost of fuel, cost of spent fuel management, decommissioning cost and such other services or factors as may be deemed necessary.

Special provisions as to inventions.

38. (*1*) The Central Government may grant patents for inventions which in its opinion are for the peaceful uses of nuclear energy and radiation:

Provided that the inventions relating to activities specified in sub-section (*5*) of section 3, or which in the opinion of the Central Government, are sensitive in nature or having national security implications, shall not be patentable and such invention shall be deemed to have been made or conceived by the Central Government.

(*2*) Any person desirous of obtaining a patent in relation to an invention under this section shall make an application to the Controller under the Patents Act, 1970. 39 of 1970.

(*3*) If a question arises as to whether an invention is related to any of the activities specified in sub-section (*5*) of section 3 or is sensitive in nature or having national security implications, the Controller shall refer the application to the Central Government for seeking direction thereon.

(*4*) The Central Government may issue directions to the Controller in relation to any patent application under this Act.

(*5*) Any person who has reason to believe that an invention made by him is related to nuclear energy shall communicate the Central Government of its nature and description before disclosing to any third party.

(*6*) Any application for a patent outside India shall be governed by section 39 of the Patents Act, 1970.

39 of 1970.

(*7*) The Central Government shall have the power to inspect at any time any pending patent application and specification before its acceptance and if it considers that the invention does not relate to the activities referred to in sub-section (*1*), issue directions to the Controller to refuse the application on that ground.

Explanation.—For the purposes of this section, "Controller" means the Controller General of Patents, Designs and Trademarks within the meaning of the Patents Act, 1970.

39 of 1970.

Restricted information.

39. (*1*) The Central Government may, by order, declare any information, which is not in public domain and which in its opinion is detrimental to national security or public interest, relating to the following, as restricted information, namely:—

(*i*) the location, quality and quantity of prescribed substance and transactions for their acquisition whether by purchase or otherwise, or disposal, whether by sale or otherwise;

(*ii*) the processing of prescribed substance and the extraction or production of fissile materials from them;

(*iii*) the theory, design, siting, construction and operation of nuclear power plant or reactor or plants for the treatment and production of any of the prescribed substance and for the separation of its isotopes;

(*iv*) research and technological work on materials and processes involved in or derived from items covered by this sub-section;

(*v*) submissions made available to the Board or other regulatory bodies during the course of their work and declared as strategic, sensitive or confidential for business purpose by the applicant; and

(*vi*) all activities referred to in the proviso to sub-section (*1*) of section 38,

whether contained in a document, drawing, photograph, plan, model, or in any other form whatsoever, which relates to, represents, or illustrates—

(*i*) an existing or proposed plant used or proposed to be used for the purpose of producing, developing, or using nuclear energy; or

(*ii*) the purpose or method of operation of any such existing or proposed plant; or

(*iii*) any process operated or proposed to be operated in such existing or proposed plant.

(*2*) No person shall—

(*a*) disclose or obtain or attempt to obtain any restricted information; or

(*b*) disclose, without authority of the Central Government, any information obtained in the discharge of any functions or performance of official duties under this Act.

(*3*) The Central Government may, by notification, prohibit the publication in any form whatsoever of restricted information or any other information as may be specified therein.

22 of 2005.

(*4*) Notwithstanding anything contained in the Right to Information Act, 2005, the information declared as restricted information or prohibited under this section shall be debarred from disclosure under the provisions of that Act.

Prohibited areas.

40. The Central Government may, by order,—

(*a*) declare any premises as prohibited area where work including research, design or development is carried on in respect of the production, processing, use, application or disposal of nuclear energy or of any prescribed substance;

(*b*) prohibit—

(*i*) the entry of any person, without obtaining permission, into a prohibited area; or

(*ii*) any person from taking, without permission, any photograph, sketch, pictures, drawing, map or other document from a prohibited area and any permission, if given, may be subject to such conditions which the Central Government may consider necessary.

Power to obtain information regarding materials, facilities or processes.

41. The Central Government may, by notice in writing, require any person to submit to it such periodical and other returns, or statements at such times and containing such particulars and accompanied by such plans, drawings and other documents as may be specified in the notice relating to—

(*a*) any prescribed substance in the possession or under the control or present in or on any land or mine owned or occupied by such person, which in the opinion of the Central Government, is or can be a source of any of the prescribed substances, including returns in respect of any such land or mine;

(*b*) any facility in his possession or under his control designed for mining or processing of minerals, or adapted for the production or use of nuclear energy or research into matters connected therewith;

(*c*) any contract entered into or any licence granted by or to such person for prospecting or mining of minerals or production or use of nuclear energy or research into matters connected therewith;

(*d*) any information in possession of such person for any work carried out by or on behalf or under the directions of such person, in connection with prospecting or mining of minerals so specified or the production or use of nuclear energy or research into matters connected therewith; and

(*e*) any other information as the Central Government deems necessary for the purpose of discharging its functions under this Act.

Administration of Occupational Safety, Health and Working Conditions Code, 2020.

42. Notwithstanding anything contained in the Occupational Safety, Health and Working Conditions Code, 2020, the authority to administer the said Act, including the appointment of inspecting staff and the making of rules thereunder shall vest in the Central Government in relation to any factory belonging to it or a company fully owned or controlled by it and engaged in carrying out the purposes of this Act: 37 of 2020.

Provided that the Central Government may, by notification, delegate to the Board the authority to administer the provisions of the Occupational Safety, Health and Working Conditions Code, 2020, except the power to make rules, relating to health and safety of the workers, as may be specified in that notification. 37 of 2020.

Delegation of powers.

43. The Central Government may, by notification, direct that any power or function which may be exercised or performed by it under this Act, except the power to make rules, shall, in relation to such matters and subject to such conditions, if any, as it may specify in the notification, be exercised or performed also by—

(*a*) such officer or authority subordinate to the Central Government; or

(*b*) such State Government or such officer or authority subordinate to a State Government,

not below the rank of a Director, as may be specified in the notification.

Power of exemption.

44. Notwithstanding anything contained in this Act, the Central Government may, with the prior approval of the Atomic Energy Commission, by notification, and for the reasons specified therein, exempt any plant, facilities, prescribed substance or quantity of prescribed substance or prescribed equipment and technology from the requirements of licence or liability or any provisions of this Act, if it is of the opinion that the risk involved is insignificant.

Power to issue directions.

45. (*1*) The Central Government, for ensuring compliance with the provisions of this Act, may issue such directions as it deems necessary to any licensee or any other person, whether generally or specifically, and every such licensee or person shall be bound to comply with such directions.

(*2*) No direction shall be issued under sub-section (*1*) unless the Central Government has given a reasonable opportunity of being heard to the licensee or the person concerned.

Emergency powers.

46. (*1*) In the event of a national emergency declared under article 352 of the Constitution, the Central Government shall—

(*a*) have the authority to assume control over the nuclear and radiation facilities, materials, equipment and related products, without limitation; and

(*b*) take such measures as it considers necessary or expedient for the exercise of the powers conferred under this section.

(*2*) Any person affected by the action of the Central Government under sub-section (*1*) shall be entitled to compensation as may be determined under section 36.

CHAPTER VII

REVIEW APPLICATIONS AND APPEALS

Establishment of Atomic Energy Redressal Advisory Council.

47. (*1*) With effect from such date as the Central Government may, by notification, appoint, there shall be established a Council to be known as the Atomic Energy Redressal Advisory Council.

(*2*) The Council shall consist of the following Members, *ex officio*, namely:—

(*a*) Chairperson of the Atomic Energy Commission—Chairperson;

(*b*) Director of the Bhabha Atomic Research Centre—Member;

(*c*) Chairperson of the Atomic Energy Regulatory Board—Member; and

(*d*) Chairperson of the Central Electricity Authority—Member.

(*3*) The Council may invite technical experts, not exceeding three, to the meetings of the Council for their expert advice subject to such terms and conditions as may be prescribed.

(*4*) The Council shall meet at such times and places and shall observe such rules of procedure in regard to the transaction of business at its meetings, including quorum as may be prescribed.

Redressal of disputes by Council.

48. (*1*) Any licensee or holder of safety authorisation or any person aggrieved by an order or decision of the Central Government or the Board under this Act including fixation of tariff under section 37 may submit an application for review to the Council.

(*2*) The Council shall examine—

(*a*) the review application submitted under sub-section (*1*) and facilitate re-conciliation and settlement of disputes by an order in writing;

(*b*) any matter or complaint referred by the Board or the Central Government to determine if the act or omission is a fit case for the purpose of complaint under section 74 and pass an order in writing;

(*c*) any other matter requiring redressal other than matters related to compensation.

(*3*) Before passing any order under sub-section (*2*), the Council shall take into account the significance and repeated nature of the contravention, or wilful violation or severity of damages caused due to deliberate violations.

Appellate Tribunal.

49. (*1*) The Appellate Tribunal for Electricity established under section 110 of the Electricity Act, 2003, shall be the Appellate Tribunal for the purposes of this Act. 36 of 2003.

(*2*) The Appellate Tribunal may hear and dispose of—

(*a*) any appeal filed under sub-section (*1*) of section 51;

(*b*) any other matter as may be notified by the Central Government within the purview of the Appellate Tribunal.

Technical Members of Appellate Tribunal.

50. (*1*) For the purposes of this Act, the Appellate Tribunal for Electricity, in addition to its existing composition shall consist of such number of Technical Members not exceeding two, to be known as Technical Member (Atomic Energy) having expertise in matters related to nuclear energy and of such rank as may be notified by the Central Government.

(*2*) The Technical Member (Atomic Energy) shall be appointed from a panel prepared by the search-cum-selection committee with such composition and in such manner as may be prescribed.

(*3*) The term of office, the salaries and allowances payable to, and other terms and conditions of service of the Technical Member (Atomic Energy) shall be the same as applicable to the other members of the Appellate Tribunal.

Appeals.

51. (*1*) Any person aggrieved by an order of the Council under section 48 or penalty imposed by the adjudicating officer under section 70 may file an appeal before the Appellate Tribunal in such form and manner and accompanied by such fee, as may be prescribed.

(*2*) Any appeal to the Appellate Tribunal shall be preferred within a period of thirty days from the date on which a copy of the order referred to in sub-section (*1*) is received by the appellant:

Provided that the Appellate Tribunal may entertain the appeal after the expiry of the said period of thirty days if it is satisfied that there was sufficient cause for not filing it within the stipulated period.

(*3*) On receipt of an appeal under this section, the Appellate Tribunal may, after giving the parties an opportunity of being heard, pass such orders thereon as it thinks fit.

(*4*) The Appellate Tribunal shall send a copy of every order passed by it to the parties and to the Council or the adjudicating officer, as the case may be.

(*5*) The Appellate Tribunal may, for the purposes of examining an appeal under this section, on its own motion or otherwise, call for the records relevant for the disposal of such appeal.

Appeals to Supreme Court.

52. Any person aggrieved by any order of the Appellate Tribunal, may file an appeal before the Supreme Court, within sixty days from the date of communication of the order appealed against:

Provided that the Supreme Court may entertain the appeal after the expiry of the said period of sixty days, if it is satisfied that the appellant was prevented by sufficient cause from preferring the appeal in time.

CHAPTER VIII

COMPENSATION FOR NUCLEAR DAMAGE

Territorial jurisdiction for claims for nuclear damage.

53. Any compensation for nuclear damage suffered may be claimed, if the nuclear damage has occurred—

(*a*) within the territory of India;

(*b*) in or over the maritime areas beyond the territorial waters of India—

(*i*) on a ship registered in India under the Merchant Shipping Act, 1958 or under any other law for the time being in force; or

44 of 1958.

(*ii*) on an aircraft registered in India under the Bharatiya Vayuyan Adhiniyam, 2024 or under any other law for the time being in force; or

16 of 2024.

(*iii*) on an artificial island, installation, or structure under the jurisdiction of the Republic of India; or

(*c*) in or over the exclusive economic zone of India or on the continental shelf of India within the meaning of section 7 of the Territorial Waters, Continental Shelf, Exclusive Economic Zone and Other Maritime Zones Act, 1976; or

80 of 1976.

(*d*) in the territory of a foreign State resulting from a nuclear incident in India, if at the time of such nuclear incident, the foreign State—

(*i*) has no nuclear installation in its territory or its maritime zones established in accordance with international law; or

(*ii*) is a party to one of the international conventions on civil nuclear liability.

Claims Commissioner.

54. (*1*) Whoever suffers nuclear damage shall be entitled to claim compensation in accordance with the provisions of this Act.

(*2*) For the purposes of adjudicating upon claims for compensation in respect of nuclear damage, the Central Government shall, within such period not exceeding thirty days from the date of notification of nuclear incident under section 26, designate by notification, one or more officers not below the rank of Joint Secretary to the Government of India, as Claims Commissioner for such area and subject to such terms and conditions, as may be specified in that notification.

Inviting application for claims.

55. Upon the notification of nuclear incident under section 26, the Claims Commissioner designated for the area shall cause wide publicity to be given in such manner as may be deemed fit, for inviting applications for claiming compensation for nuclear damage.

Establishment of Nuclear Damage Claims Commission.

56. Where the Central Government, having regard to the extent and severity of the nuclear damage is of the opinion that it is expedient in public interest that claims for such damage be adjudicated by a Claims Commission instead of by Claims Commissioner, then, it may by notification, establish a Claims Commission to be called the Nuclear Damage Claims Commission for the purposes of such adjudication.

Composition of Claims Commission.

57. (*1*) The Claims Commission shall consist of a Chairperson and such other Members, not exceeding six, as the Central Government may, by notification, appoint.

(*2*) The Chairperson and other Members of the Claims Commission shall be appointed on the recommendations of a search-cum-selection committee consisting of three experts, from amongst persons having at least thirty years of experience in nuclear science, and a retired Supreme Court Judge.

(*3*) No person shall be qualified for appointment as the Chairperson of the Claims Commission unless such person is or has been a Judge of a High Court:

Provided that no appointment of a sitting judge shall be made except after consultation with the Chief Justice of India.

(*4*) No person shall be qualified for appointment as a Member unless such person—

(*a*) has held or is holding the post of Additional Secretary to the Government of India or any other equivalent post and possesses special knowledge in law; or

(*b*) has been a Claims Commissioner for five years.

Powers of Chairperson of Claims Commission.

58. The Chairperson shall have the power of superintendence and general administration of the Claims Commission and exercise such other powers as may be prescribed.

Terms and conditions of service of Chairperson and Members of Claims Commission.

59. (*1*) The Chairperson or a Member of the Claims Commission shall hold office as such for a term of three years from the date on which he enters upon his office and shall be eligible for re-appointment for another term of three years:

Provided that no person shall hold office as Chairperson or Member after he has attained the age of sixty-seven years.

(*2*) The salary and allowances and other terms and conditions of service of the Chairperson and Members of the Claims Commission shall be such as may be prescribed.

(*3*) A person who, immediately before the date of assuming office as a Chairperson or a Member, if—

(*a*) was in service of the Central Government, shall be deemed to have retired from service on the date on which he enters upon office as such, but his subsequent service as the Chairperson or a Member shall be reckoned as continuing approved service counting for pension in service to which he belonged;

(*b*) in receipt of or being eligible so to do, has opted to draw a pension, other than a disability or wound pension, in respect of any previous service under the Government of India, his salary in respect of service as the Chairperson or a Member shall be reduced—

(*i*) by the amount of that pension; and

(*ii*) if he had, before assuming office, received, *in lieu* of a portion of the pension due to him in respect of such previous service, the commuted value thereof, by the amount of that portion of the pension.

(*4*) The Chairperson or a Member of the Claims Commission shall not—

(*a*) act as an arbitrator or mediator in any matter while holding the office;

(*b*) appear, act or plead before the Claims Commission on ceasing to hold office.

Resignation and removal of Chairperson or Member of Claims Commission.

60. (*1*) The Chairperson or any Member of the Claims Commission may relinquish their office by giving a prior notice in writing to the Central Government, of not less than three months:

Provided that the Chairperson or the Member shall, unless permitted by the Central Government to relinquish office sooner, continue to hold office until the expiry of three months from the date of receipt of such notice or until a person duly appointed as a successor enters upon the office or until expiry of their term of office, whichever is earlier.

(*2*) The Central Government shall remove from office the Chairperson or a Member of the Claims Commission, who—

(*a*) has been adjudged an insolvent;

(*b*) has been convicted of an offence which, in the opinion of the Central Government, involves moral turpitude;

(*c*) has become physically or mentally incapable of acting as a Member;

(*d*) has acquired such financial or other interest as is likely to affect prejudicially his functions as a Member; or

(*e*) has so abused their position as to render continuance in office detrimental to the public interest:

Provided that no Member shall be removed under clause (*d*) or clause (*e*) unless such Member has been given an opportunity of being heard in the matter.

Filling up vacancies of Claims Commission.

61. The Central Government shall, from the date of occurrence of any vacancy by reason of death, resignation or removal of the Chairperson or any Member of the Claims Commission, appoint another person in accordance with the provisions of this Act to fill such vacancy and the proceedings may be continued before the Claims Commission from the stage at which it was, before the vacancy is filled.

Officers and other employees of Claims Commission.

62. (*1*) The Central Government shall provide the Claims Commission with such officers and other employees as it may deem fit.

(*2*) The salary and allowances payable to and the terms and other conditions of service of officers and other employees of the Claims Commission shall be such as may be prescribed.

Application for compensation and transfer of pending cases to Claims Commission.

63. (*1*) Upon establishment of the Claims Commission under section 56, every application for compensation for nuclear damage shall be made to the Claims Commission and every application for compensation pending before any Claims Commissioner immediately before the date of establishment of the Claims Commission under section 56 shall stand transferred on that date to the Claims Commission and upon such transfer, the Claims Commissioner shall—

(*a*) furnish to the Claims Commission all records, documents, evidence, registers, transcripts and any other material related to the transferred claims;

(*b*) provide such assistance and cooperation to the Claims Commission as may be requested by it; and

(*c*) take all reasonable steps to ensure that the transfer of claims does not result in delay or prejudice to any party.

(*2*) Upon transfer of cases to the Claims Commission under sub-section (*1*), the Claims Commission shall hear such applications from the stage at which it was before such transfer.

(*3*) The transfer of a claim for compensation to the Claims Commission shall not be construed to—

(*a*) invalidate any proceeding validly conducted by a Claims Commissioner prior to such transfer; or

(*b*) affect any legal rights, obligations, or liabilities that have already accrued under an award or order made by a Claims Commissioner.

(*4*) The Chairperson may constitute benches of the Claims Commission comprising of not more than three Members, for the purpose of hearing of claims and any decision thereon shall be made by a majority of the Members hearing such claims.

Application for compensation in respect of nuclear damage.

64. (*1*) An application for compensation before the Claims Commissioner or the Claims Commission in respect of a nuclear damage may be made by—

(*a*) a person who has sustained injury;

(*b*) a person owning the property to which damage has been caused;

(*c*) the legal representatives of the deceased; or

(*d*) any agent duly authorised by such persons referred to in clauses (*a*) and (*b*).

(*2*) Every application for compensation before the Claims Commissioner or the Claims Commission shall be made in such form and manner as may be prescribed.

(*3*) Every application for compensation shall be made within a period of three years from the date of knowledge of nuclear damage by the person suffering such damage.

Adjudication procedure for claims.

65. (*1*) For the purposes of adjudication of claims for nuclear damage under this Act, the Claims Commissioner and the Claims Commission shall follow such procedure as may be prescribed.

(*2*) For the purpose of holding inquiry, the Claims Commissioner and the Claims Commission may engage experts in the nuclear field or such other persons as may be deemed fit, on such terms and conditions and on payment of such remuneration, fee or allowances, as may be prescribed.

(*3*) The Claims Commissioner and the Claims Commission shall, for the purposes of discharging their functions under this Act, have the same powers as are vested in a civil court under the Code of Civil Procedure, 1908, while trying a suit, in respect of the following matters, namely:— 5 of 1908.

(*a*) summoning and enforcing the attendance of any person and examining him on oath;

(*b*) the discovery and production of documents;

(*c*) receiving evidence on affidavits;

(*d*) requisitioning any public record or copies thereof from any court or office;

(*e*) issuing of commission for the examination of any witness;

(*f*) any other matter which may be prescribed.

(*4*) The Claims Commissioner and the Claims Commission shall not be bound by the procedure laid down in the Code of Civil Procedure, 1908 but shall be guided by the principles of natural justice and subject to the other provisions of this Act or any rules made thereunder, the Claims Commissioner and the Claims Commission shall have the power to regulate its own procedure including the places and the times at which it shall have its sittings. 5 of 1908.

(*5*) The Claims Commissioner and the Claims Commission shall be deemed to be a civil court for the purposes of section 215 and Chapter XV of the Bharatiya Nagarik Suraksha Sanhita, 2023. 46 of 2023.

(*6*) Every proceeding before the Claims Commissioner or the Claims Commission under this Act shall be deemed to be judicial proceeding within the meaning of sections 229, 257 and 267, and for the purposes of section 196, of the Bharatiya Nyaya Sanhita, 2023. 45 of 2023.

Award of compensation.

66. (*1*) On receipt of an application for compensation under this Chapter, the Claims Commissioner or the Claims Commission shall, after giving notice of such application to the operator and giving an opportunity of being heard to the parties, dispose of the application within a period of three months from the date of such receipt and make an award accordingly.

(*2*) While making an award under this section, the Claims Commissioner or the Claims Commission shall not take into consideration any benefit, reimbursement or amount received by the applicant in pursuance of employment or contract or insurance taken by the applicant for himself or for members of his family or otherwise.

(*3*) Where an operator is likely to remove or dispose of any property with the object of evading payment of the amount of the award, the Claims Commissioner or the Claims Commission may, in accordance with the provisions of rules 1 to 4 of Order XXXIX of the First Schedule to the Code of Civil Procedure, 1908, grant a temporary injunction to restrain such act. 5 of 1908.

(*4*) The Claims Commissioner and the Claims Commission shall cause to deliver copies of the award to the parties including digital copies, within a period of fifteen days from the date of the award.

(*5*) Every award made under this section shall be final and binding on the parties.

Extinction of right to claim.

67. The right to claim compensation for nuclear damage shall extinguish, if such claim is not made within a period of—

(*a*) ten years, in the case of damage to property;

(*b*) twenty years, in the case of personal injury to any individual,

from the date of notification of nuclear incident under section 26:

Provided that where a nuclear damage is caused by a nuclear incident involving nuclear material which, prior to such nuclear incident, had been stolen, lost, jettisoned or abandoned, the said period of ten years shall not strictly apply from the date of such nuclear incident, but, in no case, it shall exceed a period of twenty years from the date of such theft, loss, jettison or abandonment.

Enforcement of awards.

68. (*1*) When an award is made by the Claims Commissioner or the Claims Commission under this Act,—

(*a*) the insurer or any person who under the contract of insurance or financial security is required to pay any amount in terms of such award and to the extent of his liability under such contract shall deposit that amount within such period and in such manner as the Claims Commissioner or the Claims Commission may direct; and

(*b*) the operator shall, subject to the maximum amount of liability specified in the Second Schedule, deposit the remaining amount by which such award exceeds the amount deposited under clause (*a*).

(*2*) Where the insurer or operator or any person referred to in sub-section (*1*) fails to deposit the amount of award within the period specified in the award, such amount shall be recoverable from such insurer or operator or person, as the case may be, as arrears of land revenue.

(*3*) The amount deposited under sub-section (*1*) shall be disbursed to such person as may be specified in the award within a period of fifteen days from the date of such deposit.

Dissolution of Claims Commission in certain circumstances.

69. (*1*) Where the Central Government is satisfied that the purpose for which the Claims Commission was established has served its purpose, or where the number of cases pending before such Claims Commission is so less that it would not justify the cost of its continued function, or where it considers necessary or expedient so to do, the Central Government may, by notification, dissolve the Claims Commission.

(*2*) With effect from the dissolution of the Claims Commission,—

(*a*) the proceedings, if any, pending before the Claims Commission as on the date of such dissolution, shall be transferred to the Claims Commissioner;

(*b*) the Chairperson and all Members of the Claims Commission shall be deemed to have vacated their offices as such and they shall not be entitled to any compensation for premature termination of their office;

(*c*) all assets and liabilities of the Claims Commission shall vest in the Central Government.

(*3*) Notwithstanding the dissolution of the Claims Commission under sub-section (*1*), anything done or any action taken or purported to have been done or taken including any order made or notice issued or any appointment, confirmation or declaration made or any document or instrument executed or any direction given by the Claims Commission before such dissolution, shall be deemed to have been validly done or taken under this Act.

CHAPTER IX

OFFENCES AND PENALTIES

Penalties.

70. (*1*) If the Central Government or the Board determines on conclusion of an investigation under section 29 that there has been a breach or violation by any person, of—

(*a*) any provision of this Act or the rules or regulations made thereunder; or

(*b*) the terms and conditions of licence or safety authorisation; or

(*c*) any order issued under—

(*i*) the second proviso of sub-section (*2*) of section 5; or

(*ii*) sub-section (*1*) of section 8; or

(*iii*) sub-section (*4*) of section 31; or

(*iv*) sub-section (*3*) of section 35; or

(*v*) section 40; or

(*d*) any directions issued under—

(*i*) sub-section (*3*) of section 8; or

(*ii*) sub-section (*4*) of section 24; or

(*iii*) clause (*c*) or clause (*d*) of sub-section (*2*) of section 31; or

(*e*) any conditions imposed under clause (*b*) or prohibitions specified under clause (*c*), of sub-section (*3*) of section 5; or

(*f*) any notice issued under section 41,

then if such breach or violation is not likely to pose a grave threat or risk to public or environment, the adjudicating officer designated under sub-section (*2*), after giving such person a reasonable opportunity of being heard, may impose such penalties for any of the categories of the aforesaid breach and violations specified in the First Schedule.

(*2*) The Central Government or the Board may designate any of its officers, not below the rank of Joint Secretary, as an adjudicating officer for the purposes of adjudication under sub-section (*1*).

(*3*) While determining the penalty under sub-section (*1*), the adjudicating officer shall have due regard to the following factors, namely:—

(*a*) the nature, gravity and duration of the breach or violation;

(*b*) the consequences of the breach or violation on nuclear or radiation safety;

(*c*) repetitive nature of the breach or violation;

(*d*) whether the person, as a result of the breach or violation, has realised a gain or avoided any loss;

(*e*) whether the person took any action to mitigate the effects and consequences of the breach or violation, and the timeliness and effectiveness of such action;

(*f*) whether the penalty to be imposed is proportionate and adequate to deter any further breach or violation; and

(*g*) the likely impact of the imposition of the penalty on the person.

(*4*) In the case of a continuing contravention, the adjudicating officer may impose a penalty not exceeding twenty-five thousand rupees for every day during which the default continues.

(*5*) The amount of any penalty under this section, if not paid, may be recovered as if it were an arrear of land revenue.

(*6*) All sums realised by way of penalties imposed by the adjudicating officer shall be credited to the Consolidated Fund of India.

Punishment for offences.

71. (*1*) Without prejudice to any penalty imposed by the adjudicating officer under section 70, whoever—

(*a*) commits a breach or violation referred to in sub-section (*1*) of section 70 which is likely to pose a grave threat or risk to public or environment; or knowingly or repeatedly commits any such breach or violation;

(*b*) carries out any of the activities without a licence or safety authorisation for which a licence or safety authorisation is required under this Act;

(*c*) violates safeguards or security requirements under this Act;

(*d*) fails to comply with the provisions of section 15;

(*e*) fails to deposit the amount under section 68; or

(*f*) fails to pay the penalty imposed by the adjudicating officer under section 70,

shall be deemed to be an offence under this Act and be punishable with imprisonment for a term which may extend to five years or with fine or with both.

(*2*) Whoever obstructs any authority or officer in the exercise of their powers under this Act or knowingly makes any false declaration or statement in any return or reports submitted to the Central Government or the Board shall be punishable with imprisonment for a term which may extend to three years or with fine or with both.

(*3*) Whoever abets or attempts or conspires to commit any offence specified in sub-section (*1*) or sub-section (*2*), shall be liable to the same punishment as they apply to such offences.

(*4*) Whoever takes part in or commits or abets or incites the unauthorised removal or use of source material or fissile material or radioactive material or discloses any restricted information shall be punishable for a term which may extend to ten years of rigorous imprisonment or with fine or with both.

(*5*) Where an offence under this section relates to a factory, mine or any facility, then the occupier, owner or the employer of such factory, mine or facility, at the time the offence was committed, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly:

Provided that nothing contained in this section shall render such occupier, owner or employer liable to any punishment if he proves that the offence was committed without his knowledge or that he exercised all due diligence to prevent the commission of such offence.

Offences by companies.

72. (*1*) Where an offence under this Act has been committed by a company, every person who, at the time the offence was committed was directly in charge of, and was responsible to, the company for the conduct of the business of the company as well as the company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly:

Provided that nothing contained in this sub-section shall render any such person liable to any punishment under this Act, if he proves that the offence was committed without his knowledge or that he exercised all due diligence to prevent the commission of such offence.

(*2*) Notwithstanding anything contained in sub-section (*1*), where any offence under this Act has been committed by a company and it is proved that the offence has been committed with the consent or connivance of, or is attributable to, any neglect on the part of, any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall also be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

Explanation.—For the purposes of this section, "director", in relation to—

(*i*) a firm, means a partner in the firm;

(*ii*) an association of individuals, means authorised representative of the association.

Offences by Government Departments.

73. Where an offence under this Act has been committed by any Department of the Government, the Head of the Department shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly:

Provided that nothing contained in this section shall render such Head of the Department liable to any punishment if he proves that the offence was committed without his knowledge or that he exercised all due diligence to prevent the commission of such offence.

Cognizance of offences.

74. (*1*) The offences under section 71 shall be cognizable under the Bharatiya Nagrik Suraksha Sanhita, 2023, but no action shall be taken in respect of any person for the offence under this Act except upon a written complaint made by a person duly authorised by the Central Government or the Board:

46 of 2023.

Provided that proceedings in respect of offences under sub-section (*4*) of section 71 shall not be instituted except with the consent of the Attorney-General for India.

(*2*) No court inferior to that of a Judicial Magistrate of the first class shall try any offence under this Act.

Power to investigate offences.

75. Notwithstanding anything contained in the Bharatiya Nagarik Suraksha Sanhita, 2023, upon a complaint made under section 74, a police officer not below the rank of Inspector of Police shall investigate offences under this Act.

46 of 2023.

Power to compound offences.

76. (*1*) Notwithstanding anything contained in the Bharatiya Nagarik Suraksha Sanhita, 2023 and save as provided in this section, any offence punishable under this Act may either before or after the institution of any proceeding, be compounded by the court before which such proceedings are pending.

46 of 2023.

(*2*) In deciding whether to compound an offence under this Act, the Judicial Magistrate shall have regard to the following factors, namely:—

(*a*) gravity of the conduct;

(*b*) risk posed to the public;

(*c*) the state of mind of the defendant;

(*d*) steps taken towards restitution of the default;

(*e*) the opinion of the Central Government or Board; and

(*f*) any other factor which may be notified by the Central Government.

(*3*) The offences under clauses (*d*), (*e*) and (*f*) of sub-section (*1*) and sub-section (*4*) of section 71 or any offence which poses a serious risk to nuclear safety or nuclear security, shall not be compoundable.

CHAPTER X

MISCELLANEOUS

Grants by Central Government to Board.

77. (*1*) The Central Government may, after due appropriation made by Parliament by law in this behalf, make to the Board grants of such sums of money to enable the Board to carry out its functions under this Act.

(*2*) The Board shall prepare, in such form and at such time in each financial year, as may be prescribed, its budget for the next financial year, showing the estimated receipts and expenditure of the Board and submit the same to the Atomic Energy Commission.

Accounts and audit of Board.

78. (*1*) The Board shall maintain proper accounts and other relevant records and prepare an annual statement of accounts in such form as may be prescribed.

(*2*) The accounts of the Board shall be audited by the Comptroller and Auditor-General of India at such intervals as may be specified by him and any expenditure incurred by him in connection with such audit shall be reimbursed to him by the Board.

(*3*) The Comptroller and Auditor-General of India and any other person appointed by the Comptroller and Auditor-General in connection with the audit of

the accounts of the Board shall have the same rights and privileges and authority in connection with such audit as the Comptroller and Auditor-General of India generally has in connection with the audit of the Government accounts and, in particular, shall have the right to demand the production of books, accounts, connected vouchers and other documents and papers, and to inspect any of the offices of the Board.

(*4*) The accounts of the Board as certified by the Comptroller and Auditor-General of India or any other person appointed by him in this behalf together with the audit report thereon shall be forwarded annually to the Central Government and the Central Government shall cause the same to be laid before each House of Parliament.

Furnishing of returns and reports by Board.

79. (*1*) The Board shall furnish to the Central Government, at such time and in such form and the manner as may be prescribed, such returns and statements and such particulars in relation to finance and accounts as the Central Government may, from time to time, require.

(*2*) The Board shall prepare, once in every year, an annual report giving a summary of its activities during the previous year and copies of the report shall be forwarded to the Atomic Energy Commission.

(*3*) The Central Government shall cause a copy of the report referred to in sub-section (*2*) to be laid before each House of Parliament.

Furnishing of annual report by Claims Commission.

80. The Claims Commission shall prepare, in such form and at such time in each financial year, as may be prescribed, an annual report giving full account of its activities during that financial year and submit a copy thereof to the Central Government, which shall cause the same to be laid before each House of Parliament.

Bar on jurisdiction of civil court.

81. No civil court shall have jurisdiction to entertain any suit or proceedings in respect of any matter which the Central Government, the Board, the Appellate Tribunal, the Claims Commission or the Claims Commissioner, as the case may be, is empowered to determine or adjudicate, under this Act and no injunction shall be granted by any court or other authority in respect of any action taken or to be taken in pursuance of any power conferred by or under this Act.

Protection of action taken in good faith.

82. No suit, prosecution or other legal proceeding shall lie against the Central Government or the Board or the Council, or any of their employees and officers or any person acting on their behalf, in respect of anything done or intended to be done in good faith under this Act or the rules or regulations made thereunder.

Power to amend First and Second Schedules.

83. (*1*) If the Central Government is satisfied that it is necessary or expedient so to do, it may review the amount of—

(*a*) penalties specified in the First Schedule, to provide for a higher or lower amount for any category of breach or violation; or

(*b*) operator's liability specified in the Second Schedule, to provide for a higher or lower amount having regard to deployment of nuclear installations with advanced technology and enhanced safety features and other relevant criteria,

and by notification, amend the First Schedule or the Second Schedule and thereupon the First Schedule or the Second Schedule, as the case may be, shall be deemed to have been amended accordingly.

(*2*) A copy of every notification issued under sub-section (*1*), shall be laid as soon as may be after it is issued, before each House of Parliament.

Power to make rules.

84. (*1*) The Central Government may, by notification, make rules for carrying out the provisions of this Act.

(*2*) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

(*a*) the measures to be taken for security of radioactive substance under sub-section (*4*) of section 4;

(*b*) the form and manner of application for licence and the documents, information and fee, under sub-section (*1*) of section 6;

(*c*) the manner and terms and conditions for the grant of licence under sub-section (*1*) of section 7;

(*d*) the manner of taking control of the facility or mine and for compliance with other obligations under sub-section (*4*) of section 8;

(*e*) the terms and conditions of safety, security and safeguards under sub-section (*2*), and the manner of maintaining sufficient financial security under clause (*e*) of sub-section (*3*), of section 10;

(*f*) the manner of establishing Nuclear Liability Fund under sub-section (*2*) of section 14;

(*g*) the manner of obtaining an insurance policy or such other financial security under sub-section (*1*) of section 15;

(*h*) the qualifications and experience of Chairperson and Members of Board under sub-section (*3*) of section 17;

(*i*) the procedure to be followed by the search-cum-selection committee for recommending names of Chairperson and Members of Board under sub-section (*5*) of section 17;

(*j*) the salaries, allowances, incentives, entitlements and other conditions of service of officers and employees of Board under sub-section (*2*) of section 23;

(*k*) the other powers to be exercised and functions to be performed by Board under clause (*r*) of sub-section (*3*) of section 24;

(*l*) the manner of carrying out inspection and verification under sub-section (*2*) of section 28;

(*m*) the manner of conducting investigation under sub-section (*2*) of section 29;

(*n*) the manner of carrying out search and seizure under sub-section (*2*) of section 30;

(*o*) the manner in which acquisition shall be carried out under sub-section (*3*) of section 33;

(*p*) the terms and conditions for inviting technical experts to the meetings of the Council under sub-section (*3*) of section 47;

(*q*) the times, places, rules of procedure and quorum for meetings of Council under sub-section (*4*) of section 47;

(*r*) the manner and composition of search-cum-selection committee for appointment of Technical Member (Atomic Energy) under sub-section (*2*) of section 50;

(*s*) the form and manner of filing an appeal before the Appellate Tribunal under sub-section (*1*) of section 51;

(*t*) the other powers to be exercised by Chairperson of Claims Commission under section 58;

(*u*) the salary and allowances and other terms and conditions of service of the Chairperson and Members of Claims Commission under sub-section (*2*) of section 59;

(*v*) the salary and allowances payable to and the terms and other conditions of service of officers and other employees of Claims Commission under sub-section (*2*) of section 62;

(*w*) the form and manner of application for compensation before Claims Commissioner or Claims Commission under sub-section (*2*) of section 64;

(*x*) the procedure to be followed for adjudication of claims for nuclear damage under sub-section (*1*) of section 65;

(*y*) the terms and conditions for engaging experts for holding inquiry and payment of remuneration, fee or allowances to them under sub-section (*2*) of section 65;

(*z*) any other matter under clause (*f*) of sub-section (*3*) of section 65;

(*za*) the form and time of preparing budget under sub-section (*2*) of section 77;

(*zb*) the form of preparation of annual statement of accounts under sub-section (*1*) of section 78;

(*zc*) the time, form and manner of furnishing returns, statements and particulars under sub-section (*1*) of section 79;

(*zd*) the form and time of preparing annual report by Claims Commission under section 80;

(*ze*) any other matter which is to be, or may be, prescribed, or in respect of which provision is to be made, by rules.

Power to make regulations.

85. (*1*) The Board may, by notification, make regulations for carrying out the provisions of this Act.

(*2*) In particular, and without prejudice to the generality of the foregoing power, such regulations may provide for all or any of the following matters, namely:—

(*a*) the facilities or activities requiring safety authorisation under sub-section (*3*) of section 3;

(*b*) radiological emergency under sub-section (*3*) of section 4;

(*c*) the form and manner of application for safety authorisation, and documents, information and fee under sub-section (*2*) of section 6;

(*d*) the manner and terms and conditions for granting a safety authorisation under sub-section (*2*) of section 7;

(*e*) the time, places, rules of procedure and quorum of meetings of the Board under section 21;

(*f*) the grant of safety authorisation during various stages of lifetime of nuclear and radiation facilities and associated activities under clause (*e*) of sub-section (*3*) of section 24;

(*g*) the manner of review of order or decision of Chairperson or Whole-time Member or officer under sub-section (*2*) of section 27;

(*h*) any other matter which is to be, or may be, specified, or in respect of which provision is to be made, by regulations.

Rules, regulations to be laid before Parliament.

86. Every rule and every regulation made under this Act shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in

making any modification in the rule or regulation, or both Houses agree that the rule or regulation should not be made, the rule or regulation shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule or regulation.

Act to have an overriding effect.

87. The provisions of this Act shall have effect notwithstanding anything inconsistent therewith contained in any enactment other than this Act or any instrument having effect by virtue of any enactment other than this Act.

Power to remove difficulties.

88. (*1*) If any difficulty arises in giving effect to the provisions of this Act, the Central Government may, by order published in the Official Gazette, make such provisions, not inconsistent with the provisions of this Act, as may be necessary or expedient, for removing the difficulty.

(*2*) No order shall be made under this section after the expiry of five years from the date of commencement of this Act.

(*3*) Every order made under this section shall be laid, as soon as may be after it is made, before each House of Parliament.

Amendment of Act No. 39 of 1970.

89. The enactment specified in the Third Schedule is hereby amended to the extent and in the manner mentioned in the fourth column thereof.

Act binding on Government.

90. The provisions of this Act shall be binding on the Government.

33 of 1962.
38 of 2010.

Repeal and saving.

91. (*1*) The Atomic Energy Act, 1962 and the Civil Liability for Nuclear Damage Act, 2010 are hereby repealed.

(*2*) Notwithstanding the repeal of the enactments aforesaid, any action taken, including creation of any body or authority, grant of licence or permissions by whatever name called, grant of exemption, conduct of inspection or investigation or passing of orders, issuance of notice, any document or instrument executed, funds collected or any proceedings, complaints or appeal pending or ongoing, under the enactments so repealed, shall be deemed to have been done or taken under this Act.

(*3*) All rules, notifications, orders, directions and regulatory documents made or issued or purported to have been made or issued under the enactments so repealed shall, in so far as they relate to matters for which provision is made in this Act and are not inconsistent therewith, be deemed to have been made or issued under this Act as if this Act had been in force on the date on which such rules, notifications, orders, directions and regulatory documents were made or issued, and shall continue to be in force unless and until they are superseded by any rule, notification, order, direction or regulatory document made or issued under this Act.

(*4*) Any person appointed to any office under or by virtue of any enactment hereby repealed shall be deemed to have been appointed by that office under or by virtue of this Act.

(*5*) Any principle or rule of law, practice or procedure or existing usage, custom, privilege, restriction or exemption shall not be affected, notwithstanding that the same respectively may have been in any manner affirmed or recognised or derived by, in, or from, the enactments hereby repealed.

(*6*) The offices existing on or before the commencement of this Act shall continue as if they have been established under the provisions of this Act.

THE FIRST SCHEDULE

[*See* sections 70(*1*) and 83(*1*)]

PENALTIES FOR CATEGORIES OF BREACH AND VIOLATIONS

Categories of breach and violations	Penalty (in INR)
Severe	Not less than fifty lakh rupees but may extend to one crore rupees.
Major	Not less than ten lakh rupees but may extend to fifty lakh rupees.
Moderate	Not less than five lakh rupees but may extend to ten lakh rupees.
Minor	Not less than fifty thousand rupees but may extend to five lakh rupees.

THE SECOND SCHEDULE

[*See* sections 11(*2*)(*3*), 13 (*2*), 14(*1*)(*a*), 15(*1*),16, 68(*1*)(*b*) and 83(*1*)]

LIMITS OF LIABILITY OF THE OPERATORS FOR DIFFERENT CATEGORIES OF NUCLEAR INSTALLATION

Sl. No.	Categories of nuclear installation	Limit of operator's liability (INR) in crore
(1)	(2)	(3)
1.	Reactors having thermal power above 3600 MW	3000
2.	Reactors having thermal power above 1500 MW and up to 3600 MW	1500
3.	Reactors having thermal power above 750 MW and up to 1500 MW	750
4.	Reactors having thermal power above 150 MW and up to 750 MW	300
5.	Reactors having thermal power up to 150 MW, fuel cycle facilities other than spent fuel reprocessing plants and transportation of nuclear materials	100

THE THIRD SCHEDULE

(*See* section 89)

AMENDMENTS

Year	No.	Short title	Amendments
(1)	(2)	(3)	(4)
1970	39	The Patents Act, 1970	1. For section 4, the following section shall be substituted, namely:— "4. Inventions relating to nuclear energy.—The patents may be granted for inventions relating to nuclear energy subject to the provisions of this Act and section 38 of the Sustainable Harnessing and Advancement of Nuclear Energy for Transforming India Act, 2025.". 2. In section 65, in sub-section (*1*), for the words, brackets and figures "sub-section (*1*) of section 20 of the Atomic Energy Act, 1962 (33 of 1962)", the words and figures "section 38 of the Sustainable Harnessing and Advancement of Nuclear Energy for Transforming India Act, 2025" shall be substituted.

DR. RAJIV MANI,
Secretary to the Govt. of India.

UPLOADED BY THE MANAGER, GOVERNMENT OF INDIA PRESS, MINTO ROAD, NEW DELHI–110002
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KSHITIZ MOHAN Digitally signed by KSHITIZ MOHAN Date: 2025.12.21 23:09:25 +05'30'

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ಕರ್ನಾಟಕ ರಾಜ್ಯಪಾಲರ ಆದೇಶಾನುಸಾರ
ಮತ್ತು ಅವರ ಹೆಸರಿನಲ್ಲಿ

(ಅಫೀಫಾ ಉಸ್ಮಾನಿ)
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ಶಾಸನ ರಚನೆ ಇಲಾಖೆ

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ಸಂಸದೀಯ ವ್ಯವಹಾರಗಳು ಮತ್ತು ಶಾಸನ ರಚನೆ ಇಲಾಖೆ
ಅಧಿಸೂಚನೆ

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रजिस्ट्री सं॰ डी॰ एल॰—(एन)04/0007/2003—25 REGISTERED NO. DL—(N)04/0007/2003—25

भारत का राजपत्र
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असाधारण
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PUBLISHED BY AUTHORITY

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No. 64] NEW DELHI, SUNDAY, DECEMBER 21, 2025/AGRAHAYANA 30, 1947 (Saka)

इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके।
Separate paging is given to this Part in order that it may be filed as a separate compilation.

MINISTRY OF LAW AND JUSTICE
(Legislative Department)

New Delhi, the 21*st December,* 2025*/Agrahayana* 30, 1947 *(Saka)*

The following Act of Parliament received the assent of the President on the 20th December, 2025 and is hereby published for general information:—

THE SABKA BIMA SABKI RAKSHA (AMENDMENT OF INSURANCE LAWS) ACT, 2025

No. 40 OF 2025

[20*th December,* 2025.]

An Act further to amend the Insurance Act, 1938, the Life Insurance Corporation Act, 1956 and the Insurance Regulatory and Development Authority Act, 1999.

BE it enacted by Parliament in the Seventy-sixth Year of the Republic of India as follows:—

CHAPTER I

PRELIMINARY

Short title and commencement.

1. (*1*) This Act may be called the *Sabka Bima Sabki Raksha* (Amendment of Insurance Laws) Act, 2025.

(*2*) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

CHAPTER II

AMENDMENTS TO THE INSURANCE ACT, 1938

Construction of references of certain expressions by certain other expressions.

2. Throughout the Insurance Act, 1938 (hereafter in this Chapter referred to as the principal Act), 4 of 1938.—

(*a*) for the words "business of insurance", wherever they occur, the words "insurance business" shall be substituted;

(*b*) with respect to the term "insurer", wherever it occurs, for the consequential terms, in respect of the same like "he, him or his", the words "it or its" shall be substituted;

(*c*) for the words "intermediary or insurance intermediary", wherever they occur, the words "insurance intermediary" shall be substituted.

Amendment of section 2.

3. In section 2 of the principal Act,—

(*i*) in clause (*3*),—

(*a*) in sub-clause (*ii*), for the words "or city improvement trust in any presidency town;", the word "; and" shall be substituted;

(*b*) sub-clause (*iv*) shall be omitted;

(*ii*) in clause (*4A*), for the words, brackets and figures "sub-section (*1*) of section 5 of the Banking Companies Act, 1949", the words and figures "section 5 of the Banking Regulation Act, 1949" shall be substituted; 10 of 1949. 10 of 1949.

(*iii*) in clause (*5*),—

(*a*) the words and figures "or a provident society as defined in Part III" shall be omitted;

(*b*) for the words "or provident society", the words "or any person authorised by it" shall be substituted;

(*iv*) after clause (*5*), the following clause shall be inserted, namely:—

'(*5A*) "class of insurance business" means the class of—

(*a*) life insurance business;

(*b*) general insurance business;

(*c*) health insurance business;

(*d*) re-insurance business; or

(*e*) such other class of insurance business as may be notified by the Central Government in consultation with the Authority from time to time;';

(*v*) for clause (*6C*), the following clauses shall be substituted, namely:—

'(*6C*) "health insurance business" means the business of effecting the contracts of insurance that provide sickness benefits or pay for medical and health expenses and includes,—

(*i*) the personal accident insurance business of effecting the contracts of insurance that provide for payment of money in the event of death, disablement or hospitalisation arising out of an accident; and

(*ii*) the travel insurance business of effecting the contracts of insurance that provide for sickness benefits or pay for medical and health expenses or payment of money in the event of death, disablement or hospitalisation arising out of an accident or for losses suffered, in the course of travel;

(*6D*) "insurance business" means the business of effecting insurance contracts and includes any other form of contract as may be notified by the Central Government in consultation with the Authority from time to time.

Explanation.—In this clause, the expression "insurance contract" means the contract whereby the insurer, on payment of premium, undertakes to assume risk and to pay to the insured person an agreed compensation for loss, damage or liability arising from a contingent event on such terms and conditions and subject to such limitations as may be agreed;';

(*vi*) for clause (*7A*), the following clause shall be substituted, namely:—

'(*7A*) "Indian insurance company" means an insurer which is a company formed and registered under the Companies Act, 2013, as a public company and whose sole purpose is to carry on life insurance business or general insurance business or re-insurance business or health insurance business;';

18 of 2013.

(*vii*) for clause (*8A*), the following clause shall be substituted, namely:—

'(*8A*) "insurance co-operative society" means an insurer being a co-operative society formed and registered on or after the commencement of the Insurance (Amendment) Act, 2002, as a co-operative society under—

42 of 2002.

(*a*) the provisions of the Co-operative Societies Act, 1912;

2 of 1912.

(*b*) any other law for the time being in force in any State relating to co-operative societies; or

(*c*) the provisions of the Multi-State Co-operative Societies Act, 2002,

39 of 2002.

and whose sole purpose is to carry on life insurance business or general insurance business or health insurance business in India;';

(*viii*) for clause (*9*), the following clause shall be substituted, namely:—

'(*9*) "insurer" means a person who carries on insurance business;';

(*ix*) for clause (*10B*), the following clause shall be substituted, namely:—

'(*10B*) "insurance intermediary" includes—

(*a*) insurance brokers;

(*b*) re-insurance brokers;

(*c*) insurance consultants;

(*d*) corporate agents;

(*e*) third party administrator;

(*f*) surveyors and loss assessors;

(*g*) managing general agents;

(*h*) insurance repositories; and

(*i*) such other entities, as may be notified by the Authority from time to time;';

(*x*) in clause (*13BA*), for the word, figures and letters "section 10FB", the word and figures "section 408" shall be substituted;

(*xi*) in clause (*13BB*), for the words, brackets, figures and letters "sub-section (*1*) of section 10FR", the word and figures "section 410" shall be substituted;

(*xii*) after clause (*13BB*), the following clause shall be inserted, namely:—

'(*13BC*) "premium" means the amount paid or payable as consideration to the insurer by the policyholder for a contract of insurance;';

(*xiii*) after clause (*14*), the following clause shall be inserted, namely:—

'(*14A*) "principal officer" means an officer of an insurer, authorised as such for the purposes of this Act;';

(*xiv*) in clause (*16*), for the word, brackets and figures "clause (*72*)", the word, brackets and figures "clause (*71*)" shall be substituted.

Amendment of section 2C.

4. In section 2C of the principal Act,—

(*a*) in sub-section (*1*),—

(*i*) in clause (*b*), after the words "relating to co-operative societies", the words and figures "or the Multi-State Co-operative Societies Act, 2002" shall be inserted; 39 of 2002.

(*ii*) after clause (*b*), the following clause shall be inserted, namely:—

"(*ba*) a statutory body established by an Act of Parliament for time being in force to carry on insurance business; or";

(*iii*) for clause (*c*), the following clause shall be substituted, namely:—

"(*c*) a company or a body established or incorporated under a law of any country outside India and engaged in re-insurance business that establishes a branch in India for the purpose of re-insurance business exclusively and includes Lloyd's established under the Lloyd's Act, 1871 (United Kingdom) or any of its Members:"; 34 of 1871 (UK).

(*iv*) after the third proviso, the following proviso shall be inserted, namely:—

"Provided also that no company or a body established or incorporated under a law of any country outside India shall carry on any class of insurance business, other than re-insurance:";

(*v*) in the fourth proviso, for the words, brackets and letter "an insurer, being an Indian Insurance Company, insurance co-operative society or, a body corporate referred to in clause (*c*) of this sub-section carrying on the business of insurance", the words "that an insurer carrying on insurance business" shall be substituted;

(*b*) after sub-section (*3*), the following sub-sections shall be inserted, namely:—

"(*4*) No person other than an insurer shall use as part of its name or in connection with its business any of the words "insurance", "insurer", "assurance", "re-insurance", "insurance company" or any of their derivatives and no person shall carry on the insurance business in India unless it uses as part of its name at least one of such words, as may be specified by the regulations.

(*5*) An insurance intermediary may only use the words "insurance", "assurance", or "insurance company" to indicate the nature of its organisation and services as an insurance intermediary, in accordance with the regulations.

(*6*) An association of insurers or insurance intermediaries formed for the protection of their mutual interests and registered under the Companies Act, 2013 or any other applicable law may only use the words "insurance", "assurance", or "insurance company" to indicate the nature of its organisation, purposes and services, in accordance with the regulations.".

18 of 2013.

5. In section 2CA of the principal Act,— Amendment of section 2CA.

(*i*) in the marginal heading, after the words "Special Economic Zones", the words "and International Financial Services Centres set up in Special Economic Zones" shall be inserted;

(*ii*) for clauses (*a*) and (*b*), the following clauses shall be substituted, namely:—

"(*a*) shall not apply to an insurer or insurance intermediary in any Special Economic Zone including International Financial Services Centres, set up under the provisions of the Special Economic Zones Act, 2005;

28 of 2005.

(*b*) shall apply to the insurer or insurance intermediary in any Special Economic Zone including International Financial Services Centres, set up under the provisions of the Special Economic Zones Act, 2005, with such exceptions, modifications and adaptations as may be specified in the notification.".

28 of 2005.

6. In section 3 of the principal Act,— Amendment of section 3.

(*i*) for sub-sections (*2*) and (*2A*), the following sub-sections shall be substituted, namely:—

"(*2*) Every application for registration shall be in such form, manner and be accompanied by such documents and by such fee as may be specified by the regulations.

(*2A*) On receipt of an application for registration under sub-section (*2*), the Authority may, if satisfied after such inquiry as it may deem necessary, that,—

(*a*) the financial condition and the general character of management of the applicant are sound;

(*b*) the projected volume of business, the capital structure and earning prospects of the applicant shall be adequate;

(*c*) the interest of the general public shall be served, if the certificate of registration is granted to the applicant; and

(*d*) the applicant has complied with the provisions of this Act, as may be applicable and all other conditions as may be specified by the Authority,

register the applicant as an insurer and grant it a certificate of registration.";

(*ii*) in sub-section (*3*), for the words, brackets, letter and figures "sub-clause (*d*) of clause (*9*) of section 2", the words, brackets, letters and figures "clause (*c*) of sub-section (*1*) of section 2C" shall be substituted;

(*iii*) in sub-section (*5C*), the words, brackets, figures and letter "or has had an application under sub-section (*4*) of section 3A accepted," shall be omitted;

(*iv*) in sub-section (*5D*), for the word "Court", wherever it occurs, the words "National Company Law Tribunal" shall be substituted.

Insertion of new section 3AA.

7. After section 3A of the principal Act, the following section shall be inserted, namely:—

Foreign investment in equity.

"3AA. On and from the date of commencement of the *Sabka Bima Sabki Raksha* (Amendment of Insurance Laws) Act, 2025, the aggregate holdings of equity shares by foreign investors including portfolio investors in an Indian insurance company may extend up to one hundred per cent. of the paid-up equity capital and the foreign investment by such investors shall be subject to such conditions and such manner as may be prescribed.

Explanation.—For the removal of doubts, it is hereby clarified that the foreign direct investment in an Indian insurance company may extend up to one hundred per cent. to accelerate the growth in the insurance sector.".

Amendment of section 6.

8. In section 6 of the principal Act,—

(*i*) in sub-section (*1*), for the words, brackets, letter and figures "sub-clause (*d*) of clause (*9*) of section 2", the words, brackets, letters and figures "clause (*c*) of sub-section (*1*) of section 2C" shall be substituted;

(*ii*) for sub-section (*2*), the following sub-section shall be substituted, namely:—

"(*2*) No insurer referred to in clause (*c*) of sub-section (*1*) of section 2C, shall be registered unless it has net owned fund of not less than one thousand crore rupees.".

Amendment of section 6A.

9. In section 6A of the principal Act,—

(*a*) in sub-section (*1*), for the words "life insurance business or general insurance business or health insurance business or re-insurance business", the words "insurance business" shall be substituted;

(*b*) in sub-section (*4*),—

(*i*) for the words "life insurance business, general and health insurance business and re-insurance business", the words "insurance business" shall be substituted;

(*ii*) in clause (*b*), in sub-clause (*iii*), for the words "one per cent.", the words "five per cent." shall be substituted;

(*c*) in sub-section (*11*), in clause (*i*), for the words, brackets and figures "sub-sections (*1*), (*3*), (*5*) and (*6*)", the words, brackets and figures "sub-sections (*1*) and (*5*)" shall be substituted.

Amendment of section 6B.

10. In section 6B of the principal Act, in sub-section (*1*), for the words "life or general or health insurance or re-insurance business", the words "insurance business" shall be substituted.

Amendment of section 10.

11. In section 10 of the principal Act, in sub-section 2,—

(*a*) the words, brackets and figure "sub-section (*1*) of" shall be omitted;

(*b*) for the word "Controller", the word "Authority" shall be substituted;

(*c*) in the first proviso, the words, brackets and letter, "clause (*a*) of" shall be omitted.

Amendment of section 11.

12. In section 11 of the principal Act, in sub-section (*1*), after the words "a revenue account", the words "and other financial statements" shall be inserted.

Insertion of new section 12A.

13. After section 12 of the principal Act, the following section shall be inserted, namely:—

Appointment of Actuary by insurer.

"12A. The eligibility criteria and experience for appointment of an Actuary by an insurer and the powers and functions of the Actuary shall be such as may be specified by the regulations.".

Amendment of section 13.

14. In section 13 of the principal Act,—

(*i*) for the marginal heading, the following marginal heading shall be substituted, namely:—

"Actuary report.";

(*ii*) for sub-sections (*1*) and (*2*), the following sub-sections shall be substituted, namely:—

"(*1*) In every financial year, every insurer shall cause an investigation to be made by an Actuary into the financial condition of the business carried on by it including the valuation of its liabilities in respect thereto and shall cause a report of such Actuary to be made for such purpose and in such manner as may be specified by the regulations.

(*1A*) The Authority may, having regard to the circumstances of any particular insurer, allow the insurer to have the investigation made at a date not later than two years from the date on which the previous investigation was made.

(*2*) The provisions of sub-section (*1*) regarding the making of a report shall apply to an investigation into the financial condition of the insurer made with a view to the distribution of profits or an investigation made for any such purpose as the Authority may determine.";

(*iii*) in sub-sections (*3*) and (*4*), for the word "abstract", the word "report" shall be substituted;

(*iv*) sub-section (*6*) shall be omitted.

Substitution of new sections for section 14.

15. For section 14 of the principal Act, the following sections shall be substituted, namely:—

Record of policies and claims.

"14. (*1*) Every insurer, in respect of all business transacted by him, shall maintain—

(*a*) a complete record of policies which shall contain all details of the policy application, policy contract and other relevant and connected information including,—

(*i*) in respect of every policy issued by the insurer to an individual, the name, date of birth, address and (where available) email address of the policyholder, Aadhaar number or Permanent Account Number or such other identification number issued by any Central Authority for the purpose of unique identification of the individual, the date when the policy was effected and a record of any transfer, assignment or nomination of which the insurer has notice and any other information which the Authority shall specify from time to time;

(*ii*) in respect of every policy issued by the insurer to any entity, the name, date of incorporation, address and email address, registration number or Permanent Account Number or such other identification number issued by any Central Authority for the purpose of unique identification of such entity, the date when the policy was effected and a record of any transfer, assignment or nomination of which the insurer has notice and any other information which the Authority shall specify from time to time;

(*b*) a record of claims, every claim made together with the date of the claim, the name and address of the claimant and the date on which the claim was discharged, or, in the case of a claim which is rejected, the date of rejection and the grounds thereof; and

(*c*) a record of policies and claims in accordance with clauses (*a*) and (*b*) may be maintained in such form, including electronic mode, as may be specified by the regulations.

(*2*) Every insurer shall, in respect of all business transacted by him, endeavour to issue policies above a specified threshold in terms of sum assured and premium in electronic form, in such manner and form as may be specified by the regulations.

(*3*) Every insurer shall on a concurrent basis, submit to the Authority or any entity regulated and authorised by the Authority, the record of policies as stated in clauses (*a*), (*b*) and (*c*) of sub-section (*1*) in the manner and the details as may be specified by the regulations.

Processing of information of policyholders by insurers or other regulated entities of Authority.

14A. (*1*) The Authority may direct the insurers or other regulated entities of the Authority to process the Know Your Customer (KYC) information of the policyholders and the information and documents processed during the solicitation or subsequently, shall be in such form and manner, as may be specified by the regulations for the purposes of this Act and any other law for the time being in force.

(*2*) The processing of the Know Your Customer (KYC) information of the policyholder and the information and documents processed during the solicitation or subsequently by the insurers or other regulated entities of the Authority shall be deemed to be valid for the performance of their functions under this Act or any other law for the time being in force.

(*3*) The insurers or the other regulated entities of the Authority shall use the Know Your Customer (KYC) information of the policyholder and the information and documents processed during the solicitation or subsequently received in this section solely for the efficient discharge of its duties under this Act.

Accuracy and security of information of policyholders.

14B. An insurer or other regulated entities of the Authority in possession or control of information of the policyholders, shall take such steps, as may be specified by the regulations, to ensure that the information of the policyholders maintained by such insurers or other regulated entities is accurate, complete and updated in all respects, secure and duly protected against any loss or unauthorised access or use, or unauthorised disclosure thereof.

Confidentiality of information of policyholders.

14C. (*1*) Subject to any other law for the time being in force, insurers and other regulated entities of the Authority shall ensure that the Know Your Customer (KYC) information of the policyholders and the information and documents processed during the solicitation or subsequently during all times are maintained with utmost confidentiality and would be comprehensively protected.

(*2*) Subject to sub-section (*1*), the said information shall not be parted or shared with any third party, except,—

(*a*) where disclosure is compulsory in law;

(*b*) where there is duty to the public to disclose; or

(*c*) where the disclosure is made with the express consent of the customer.".

Substitution of new section for section 15.

16. For section 15 of the principal Act, the following section shall be substituted, namely:—

Submission of returns.

"15. The audited accounts and statements referred to in section 11 or sub-section (*5*) of section 13 and the statement referred to in section 13 shall be furnished to the Authority in such form and manner as may be specified by the regulations within a period of six months from the end of the period to which they refer.".

Amendment of section 21.

17. In section 21 of the principal Act, in sub-section (*1*), in clause (*d*), the words, figures and letters "or section 28A or section 28B" shall be omitted.

Amendment of section 22.

18. In section 22 of the principal Act, in sub-section (*2*), the words, brackets and figures "of sub-sections (*1*) and (*2*) of" shall be omitted.

Amendment of section 26.

19. In section 26 of the principal Act, the words, brackets and letter "referred to, and, where the alteration affects the assured rates, advantages, terms and conditions offered in connection with life insurance policies the actuarial certificate referred to in clause (*f*) of the said sub-section shall accompany the particulars of the alteration" occurring at the end, shall be omitted.

Substitution of new section for section 27.

20. For section 27 of the principal Act, the following section shall be substituted, namely:—

Investment of assets.

'27. (*1*) Every insurer shall, in order to meet its liabilities, invest and at all times keep invested assets of value not less than that of the liabilities in the following manner, namely:—

(*a*) in case of an insurer carrying on life insurance business—

(*i*) twenty-five per cent. of the said assets in Government securities;

(*ii*) a further sum equal to not less than twenty-five per cent. of the said sum in Government securities or other approved securities; and

(*iii*) the balance, in any of such approved investments, with such limitations, conditions and restrictions as may be specified by the regulations;

(*b*) in the case of an insurer carrying on insurance business, other than life insurance business—

(*i*) twenty per cent. of the said assets in Government securities;

(*ii*) a further sum equal to not less than ten per cent. of the said sum in Government securities or other approved securities; and

(*iii*) the balance, in any of such approved investments, with such limitations, conditions and restrictions as may be specified by the regulations:

Provided that an insurer may, subject to such conditions as may be specified by the regulations, invest or keep invested any part of its controlled funds or assets otherwise than in approved investments, if such investments do not exceed fifteen per cent. of the assets referred to in this sub-section.

(*2*) The investment of the whole or any part of the assets of the insurer shall be subject to—

(*a*) the condition that the assets referred to in sub-section (*1*) shall be held free of any encumbrance, charge, hypothecation or lien; and

(*b*) such limitations and conditions as may be specified by the regulations:

Provided that nothing contained in this sub-section shall apply to a repo or a reverse repo transaction or a Government securities lending transaction undertaken in terms of the Reserve Bank of India Act, 1934 or directions issued thereunder. 2 of 1934.

(*3*) Subject to such terms and conditions as may be specified by the regulations, an insurer may invest not more than five per cent. of the assets referred to in sub-section (*1*), by value, in a company or other body corporate which is owned or controlled by the promoters.

(*4*) Nothing contained in this section shall be deemed to affect in any way, the manner in which any money relating to the provident fund of any employee or to any security taken from any employee or other moneys of a like nature are required to be held by or under any Central Act or State Act for the time being in force.

(*5*) The assets being invested by an insurer incorporated or domiciled outside India, except to the extent of any part thereof which consists of foreign assets held outside India, shall be held in India and in the trust for the discharge of the liabilities and shall be vested in trustees resident in India and approved by the Authority, and the instrument of such trust shall be executed by the insurer, with the approval of the Authority, in such manner as may be specified by the regulations.

(*6*) The Authority may, either generally or in any particular case, direct that any investment shall, subject to such conditions as may be imposed, be taken into account, in such manner as may be specified by the regulations, in computing the assets referred to in sub-section (*1*), and where any direction has been issued under this sub-section, the copies thereof shall be laid before each House of Parliament as soon as may be after it is issued.

(*7*) If, at any time, the Authority considers any one or more of the investments of an insurer to be unsuitable or undesirable, the Authority may, after giving the insurer an opportunity of being heard, direct it to realise the investment or investments, and the insurer shall comply with the direction within such time as may be specified by the regulations.

(*8*) Without prejudice to anything contained in this section, the Authority may, in the interest of the policyholders, specify by the regulations, the time, manner and other conditions of investment of assets to be held by an insurer for the purposes of this Act.

(*9*) The Authority may give specific directions for the time, manner and other conditions subject to which the funds of policyholders shall be invested in the infrastructure and social sector, as may be specified by the regulations.

(*10*) The Authority may, after taking into account the nature of business and to protect the interest of the policyholders, issue to an insurer the directions relating to the time, manner and other conditions of investment of assets to be held by it:

Provided that no direction under this sub-section shall be issued unless the insurer concerned has been given an opportunity of being heard.

Explanation.—For the purposes of this section, the expressions—

(*i*) "assets" means all the assets of insurer at their carrying value but does not include any assets specifically held against any fund or portion thereof in respect of which the Authority is satisfied that such fund or portion thereof, as the case may be, is regulated by the law of any country outside India or miscellaneous expenditure or in respect of which the Authority is satisfied that it would not be in the interest of the insurer to apply the provisions of this section;

(*ii*) "controlled", in relation to a company or other body corporate, means the right to appoint majority of its directors or to control its management or policy decisions exercisable by the promoters acting individually or in concert, directly or indirectly, including by virtue of shareholding or management rights or shareholders agreements or voting agreements;

(*iii*) "controlled funds" mean,—

(*a*) in the case of any insurer carrying on life insurance business—

(*i*) all its funds, if it carries on no other class of insurance business;

(*ii*) all the funds in India appertaining to life insurance business if it carries on some other class of insurance business also:

Provided that the fund referred to in sub-clause (*a*) shall not include any fund or portion thereof in respect of which the Authority is satisfied that such fund or portion, as the case may be, is regulated by the law in force of any country outside India or it would not be in the interest of the insurer to apply the provisions of this section;

(*b*) in the case of any other insurer carrying on life insurance business—

(*i*) all its funds in India, if it carries on no other class of insurance business;

(*ii*) all the funds in India appertaining to life insurance business, if it carries on some other class of insurance business also, but does not include any fund or portion thereof in respect of which the Authority is satisfied that such fund or portion thereof, as the case may be, is regulated by the law in force of any country outside India or in respect of which the Authority is satisfied that it would not be in the interest of the insurer to apply the provisions of this section;

(*iv*) "liabilities" means the net liabilities of the insurer to the holders of policies;

(*v*) "owned", in relation to a company, means the holding of more than fifty per cent. of its paid-up share capital by the promoters, and includes a subsidiary company of such a company; and

(*vi*) "promoter" means a person—

(*a*) who has been named as such in a prospectus inviting offers from the public for the subscription or purchase of any securities of an insurer, or is identified as such by the insurer in its annual returns filed with the person having the duty of registering companies;

(*b*) who has control over the affairs of the insurer, directly or indirectly whether as a shareholder, director or otherwise; or

(*c*) in accordance with whose advice, directions or instructions, the board of directors of the insurer is accustomed to act but shall not apply to a person who is acting merely in a professional capacity.'.

Omission of sections 27A, 27B, 27C and 27D.

21. Sections 27A, 27B, 27C and 27D of the principal Act shall be omitted.

Amendment of section 30.

22. In section 30 of the principal Act, the figures and letters "27A, 27B, 27C, 27D", occurring at both the places, shall be omitted.

Amendment of section 31.

23. In section 31 of the principal Act, in sub-section (*1*), for the word, brackets and figure "sub-section (*7*)", the word, brackets and figure "sub-section (*5*)" shall be substituted.

Amendment of section 31A.

24. In section 31A of the principal Act, in sub-section (*1*), for the portion beginning with "no insurer shall after expiry of one year" and ending with "in respect of the general insurance business of the insurer:", the following shall be substituted, namely:—

"no insurer shall, after expiry of one year from the date of commencement of the *Sabka Bima Sabki Raksha* (Amendment of Insurance Laws) Act, 2025, be directed or managed by a company or a firm or employ as manager or officer or in any capacity, any person whose remuneration or any part thereof is in the form of commission or bonus or a share in the valuation surplus:".

Substitution of new section for section 32A.

Prohibition of common officers and requirement as to whole-time officers.

25. For section 32A of the principal Act, the following section shall be substituted, namely:—

"32A. (*1*) A Director or officer of an insurer shall not be a Director or officer of any other insurer carrying on the same class of insurance business or of a Banking company or of an investment company.

(*2*) The Authority may, for such period, to such extent and subject to such conditions as may be specified by the regulations, exempt from the operation of this section, two or more such entities, for the purpose of facilitating their amalgamation or the transfer of business of one insurer to another.

(*3*) The provisions of sub-section (*1*) shall not apply to a Director nominated by the Central Government.".

Amendment of section 32B.

26. In section 32B of the principal Act, for the words "life insurance business and general insurance business", the words "insurance business" shall be substituted.

Amendment of section 32C.

27. In section 32C of the principal Act, for the words "life insurance or general insurance", the word "insurance" shall be substituted.

Amendment of section 33.

28. In section 33 of the principal Act, in sub-section (*6*), in clause (*a*), after the word "insurer", the words "or insurance intermediary" shall be inserted.

Amendment of section 33A.

29. In section 33A of the principal Act,—

(*i*) for the words "at it or he", the words "as it" shall be substituted;

(*ii*) after the word "insurers", the words "or insurance intermediaries" shall be inserted.

Amendment of section 34.

30. In section 34 of the principal Act, for sub-section (*1*), the following sub-section shall be substituted, namely:—

"(*1*) Where the Authority is satisfied that it is necessary or expedient,—

(*a*) in the public interest;

(*b*) to prevent the affairs of an insurer or insurance intermediary being conducted in a manner detrimental to the interests of the policyholders or in a manner prejudicial to the interests of the insurer or insurance intermediary; or

(*c*) to secure the proper management of an insurer or insurance intermediary,

it may issue such directions as it deems fit, to insurer or insurance intermediary generally or in particular, including directions of disgorgement and such insurer or insurance intermediary shall comply with such directions:

Provided that no such directions shall be issued to any insurer or insurance intermediary in particular unless such insurer or insurance intermediary has been given an opportunity of being heard.

Explanation.—For the removal of doubts, it is hereby clarified that the power to issue directions under this section shall include and always be deemed to have included the power to direct any person, who made profit or averted loss by indulging in any transaction or activity in contravention of the provisions of this Act and the Insurance Regulatory and Development Authority Act, 1999 and rules or regulations made thereunder, to disgorge an amount equivalent to the wrongful gain made or loss averted by such contravention.".

41 of 1999.

Amendment of section 34A.

31. In section 34A of the principal Act, for sub-section (*2*), the following sub-section shall be substituted, namely:—

"(*2*) Nothing contained in sections 196, 197 and 203 of the Companies Act, 2013 shall apply to any matter in respect of which the approval of the Authority is to be obtained under sub-section (*1*).".

18 of 2013.

Amendment of section 34H.

32. In section 34H of the principal Act, in sub-section (*1*),—

(*i*) in clause (*a*), for the word, brackets and figure "sub-section (*2*)", the word, brackets and figure "sub-section (*3*)" shall be substituted;

(*ii*) in clause (*b*), for the word, brackets, figure and letter "sub-section (*1A*)", the word, brackets and figure "sub-section (*2*)" shall be substituted;

(*iii*) for clause (*c*), the following clause shall be substituted, namely:—

"(*c*) a contravention of any provision of this Act or the Insurance Regulatory and Development Authority Act, 1999 has been committed or is likely to be committed by an insurer or insurance intermediary; or"; 41 of 1999.

(*iv*) in clauses (*f*) and (*g*), after the word "insurer", occurring at both the places, the words "or insurance intermediary" shall be inserted.

Amendment of section 35.

33. In section 35 of the principal Act,—

(*a*) for sub-section (*1*), the following sub-section shall be substituted, namely:—

"(*1*) Notwithstanding anything contained in any other law for the time being in force, no insurance business of an insurer or non-insurance business of any company, shall be transferred to or amalgamated with the insurance business of any other insurer except in accordance with a scheme prepared under this section and approved by the Authority, subject to the transferee insurer complying with the provisions of this Act at all times and any other conditions as may be specified by the regulations.";

(*b*) in sub-section (*3*),—

(*i*) in clause (*b*), for the words "insurance business of each of the insurers", the words "business of each of the entities" shall be substituted;

(*ii*) in clause (*c*), the word "life" shall be omitted;

(*iii*) in clause (*e*), after the words "was founded", the words "or any other document as may be required by the Authority" shall be inserted;

(*iv*) in the proviso,—

(*A*) for the word "insurer", the word "party" shall be substituted;

(*B*) for the words and figures "or sections 7 and 8 of the Indian Life Assurance Companies Act, 1912", the words "or any other applicable law" shall be substituted; 6 of 1912.

(*c*) after sub-section (*3*), the following sub-section shall be inserted, namely:—

"(*4*) Without prejudice to anything contained in sections 35, 36, 37, or 37A, the Authority may specify by regulations, the manner, procedure and other conditions for a scheme of arrangement or amalgamation or transfer of business for the purposes of this Act.".

Amendment of section 37.

34. In section 37 of the principal Act,—

(*a*) for the words "two or more insurers", the words "two or more entities" shall be substituted;

(*b*) in clause (*c*), in sub-clause (*i*), for the portion beginning with "insurance business of each of the insurer concerned" and ending with "Part-I of that Schedule", the words "business of each of the entities concerned in such amalgamation or transfer, prepared in accordance with the regulations" shall be substituted.

Amendment of section 37A.

35. In section 37A of the principal Act, in sub-section (*2*), in the second proviso, for the word "Controller", the word "Authority" shall be substituted.

Amendment of section 40.

36. In section 40 of the principal Act, after sub-section (*2*), the following sub-section shall be inserted, namely:—

"(*2A*) Without prejudice to anything contained in this section, the Authority may in the interest of the policyholders, specify by the regulations, the limits of any commission, remuneration or reward in any form payable to an insurance agent or an insurance intermediary, the manner of such payment, the manner of disclosures required and such other matters related to insurance agents or insurance intermediaries as may be necessary, for the purposes of this Act.".

Amendment of section 40B.

37. In section 40B of the principal Act, in the marginal heading, the word "life" shall be omitted.

Amendment of section 40C.

38. In section 40C of the principal Act, for the marginal heading, the following marginal heading shall be substituted, namely:—

"Furnishing details of expenses of management by insurer.".

Amendment of section 41.

39. In section 41 of the principal Act, in sub-section (*1*), in the proviso, for the words "a policy of life insurance taken out by himself on his own life", the words "a policy of any class of insurance business taken out by himself in relation to risks associated with his own life, health or property" shall be substituted.

Amendment of section 42D.

40. In section 42D of the principal Act,—

(*i*) after sub-section (*2*), the following sub-section shall be inserted, namely:—

"(*2A*) A person shall not begin to carry on or act as an insurance intermediary, unless he or it obtains a certificate of registration for the same from the Authority.";

(*ii*) for sub-sections (*3*) and (*4*), the following sub-sections shall be substituted, namely:—

"(*3*) Every application for registration as an insurance intermediary shall be in such form and manner and be accompanied by such documents and fee as may be specified by the regulations.

(*4*) No application for the renewal of a registration under this section shall be entertained, if the application does not reach the issuing authority before the registration ceases to remain in force:

Provided that the Authority may, if satisfied that undue hardship would be caused otherwise, accept any application on payment of late fee of seven hundred and fifty rupees.

(*4A*) A registration made under this section shall remain in force subject to payment of such annual fee as may be specified by the regulations, until such registration is suspended or cancelled by the Authority, in accordance with such procedure as may be specified by it and the conditions referred to in sub-section (*6*).";

(*iii*) for sub-sections (*6*), (*7*) and (*8*), the following sub-sections shall be substituted, namely:—

"(*6*) The Authority may suspend or cancel the registration of an insurance intermediary, if such insurance intermediary—

(*i*) contravenes any provision of this Act or the Insurance Regulatory and Development Authority Act, 1999 or the rules or regulations made thereunder or makes a default in complying with any direction issued or order made;

4 of 1999.

(*ii*) makes a default in complying with, or acts in contravention of, any requirement of the Companies Act, 2013 or the General Insurance Business (Nationalisation) Act, 1972 or the Life Insurance Corporation Act, 1956 or the Foreign Exchange Management Act, 1999 or the Prevention of Money-laundering Act, 2002;

18 of 2013.
5 of 1972.
3 of 1956.
42 of 1999.
15 of 2002.

(*iii*) is convicted for an offence under any law for the time being in force;

(*iv*) having its holding company or a joint venture partner having its principal place of business in a country outside India that has been debarred by law or practice of such country to carry on insurance intermediary business;

(*v*) fails to pay the annual fee required under sub-section (*4A*);

(*vi*) being a co-operative society set up under the respective State laws or, as the case may be, the Multi-State Co-operative Societies Act, 2002, contravenes the provisions of law as may be applicable to the insurance intermediary; 39 of 2002.

(*vii*) no longer meets the requirements or is disqualified as per sub-section (*5*); or

(*viii*) makes any other default or contravention, as may be specified by the regulations.

(*7*) The manner of suspension or cancellation of registration of an insurance intermediary shall be such as may be specified by the regulations.

(*8*) The Authority may issue a duplicate certificate of registration to replace a registration certificate which was lost, destroyed or mutilated, or in any other case where the Authority is of opinion that the issuance of duplicate certificate is necessary, it may issue the same on payment of such fee as may be specified by the regulations.";

(*iv*) sub-section (*9*) shall be omitted.

Amendment of section 47.

41. In section 47 of the principal Act, in sub-section (*1*),—

(*i*) for the words "life insurance maturing", the words "insurance due" shall be substituted;

(*ii*) for the words "title to the amount secured thereby or for any other adequate reason", the words "entitlement to receive the due payment" shall be substituted.

Amendment of section 48B.

42. In section 48B of the principal Act, in sub-section (*1*), for the words, brackets, letter and figures "sub-clause (*b*) of clause (*9*) of section 2", the words, brackets, letters and figures "clause (*ba*) of sub-section (*1*) of section 2C" shall be substituted.

Amendment of section 49.

43. In section 49 of the principal Act, in sub-section (*1*),—

(*i*) for the words and figures "business of life insurance or any other class or sub-class of insurance business to which section 13 applies", the words "insurance business" shall be substituted;

(*ii*) for the words "the fund of such other class", the words "the fund of the other class" shall be substituted;

(*iii*) for the words and figures "abstract referred to in section 15", the words and figures "report referred to in section 15" shall be substituted.

Amendment of section 51.

44. In section 51 of the principal Act, for the words "not exceeding one rupee", the words "of one rupee per page, subject to a maximum fee of two hundred and fifty rupees" shall be substituted.

Amendment of section 52A.

45. In section 52A of the principal Act,—

(*i*) for the marginal heading, the following marginal heading shall be substituted, namely:—

"When Board of Directors and the like, superseded and Administrator for management of insurance business may be appointed.";

(*ii*) for sub-section (*1*), the following sub-section shall be substituted, namely:—

"(*1*) If at any time the Authority has reason to believe that an insurer carrying on insurance business is acting in a manner likely to be prejudicial to the interest of its policyholders, it may, for reasons to be recorded in writing and after giving the insurer an opportunity of being heard, by order in writing, supersede the Board of Directors or such other management or governing or executive committee of such insurer, and appoint an Administrator to manage the affairs of the insurer, under the direction and control of the Authority for such period not exceeding one year.

(*1A*) The Authority may, for reasons to be recorded in writing, extend the period referred to in sub-section (*1*) from time to time.".

Amendment of section 55.

46. In section 55 of the principal Act, in sub-section (*3*), for the word and figures "section 643", the word and figures "section 468" shall be substituted.

Amendment of section 61A.

47. In section 61A of the principal Act, after sub-section (*6*), the following sub-section shall be inserted, namely:—

"(*7*) Where the appeal filed before the National Company Law Appellate Tribunal under sub-section (*1*) is not disposed of within the said period of six months, the Appellate Tribunal shall record its reasons in writing therefor.".

Amendment of section 64.

48. In section 64 of the principal Act, for the words "on or before the last day of January in every calendar year", the words "within such time as may be determined by the Authority" shall be substituted.

Amendment of section 64F.

49. In section 64F of the principal Act,—

(*i*) in sub-section (*1*),—

(*a*) in clause (*a*), for the word "four", the word "seven" shall be substituted;

(*b*) in clause (*b*), for the words "an eminent person", the words "two eminent persons" shall be substituted;

(*c*) after clause (*c*), the following clause shall be inserted, namely:—

"(*ca*) two persons nominated by the Central Government;";

(*ii*) in sub-section (*2*),—

(*a*) in clause (*a*), for the word "four", the word "seven" shall be substituted;

(*b*) for clauses (*b*) and (*c*), the following clauses shall be substituted, namely:—

"(*b*) two eminent persons not connected with insurance business as may be nominated by the Authority;

(*c*) three representatives from among insurance agents, insurance intermediaries and policyholders as may be nominated by the Authority;

(*d*) one representative each from self-help groups and insurance co-operative societies as may be nominated by the Authority; and

(*e*) two persons nominated by the Central Government:".

Amendment of section 64G.

50. In section 64G of the principal Act, in sub-section (*1*), for the word "Chairman", the word "Chairperson" shall be substituted.

Amendment of section 64H.

51. In section 64H of the principal Act, in sub-section (*2*), for the words "General Council", the words "General Insurance Council" shall be substituted.

Amendment of section 64K.

52. In section 64K of the principal Act,—

(*i*) in sub-section (*1*), the words, brackets and figure "the proviso to sub-section (*2*) of" shall be omitted;

(*ii*) in sub-section (*4*), the words, brackets and figures "sub-sections (*1*) and (*2*) of" shall be omitted; and the words, brackets and figures "or, as the case may be, of sub-section (*2*) of section 16" shall be omitted.

Amendment of section 64L.

53. In section 64L of the principal Act,—

(*i*) in sub-section (*1*),—

(*a*) in clause (*a*), after the words "general insurance business", the words ", health insurance business and re-insurance business" shall be inserted;

(*b*) in clause (*c*), after the words "general insurance policies", the words ", health insurance policies and re-insurance policies" shall be inserted;

(*ii*) for sub-section (*2*), the following sub-section shall be substituted, namely:—

"(*2*) For the purpose of enabling it to effectively discharge its functions, the Executive Committee of the General Insurance Council may collect such fees as may be laid down in the bye-laws made by the General Insurance Council from the insurers carrying on general insurance business or health insurance business or re-insurance business.".

Amendment of section 64M.

54. In section 64M of the principal Act, in sub-section (*1*), the words, brackets and figure "the proviso to sub-section (*1*) of" shall be omitted.

Amendment of section 64R.

55. In section 64R of the principal Act, in sub-section (*1*), in clause (*b*), for the words "any prescribed fee", the words "fee, as laid down in the bye-laws made by the Life Insurance Council and General Insurance Council" shall be substituted.

Omission of section 64ULA.

56. Section 64ULA of the principal Act shall be omitted.

Amendment of section 64VB.

57. In section 64VB of the principal Act, in sub-section (*2*), in the *Explanation*,—

(*i*) after the word "post", the words "or by any online mode" shall be inserted;

(*ii*) after the word "posted", the words "or the money is received in insurer's bank account" shall be inserted.

Amendment of section 101A.

58. In section 101A of the principal Act, in sub-section (*1*), after the words "Indian re-insurers", the words "a minimum of" shall be inserted.

Substitution of new section for section 102.

59. For section 102 of the principal Act, the following section shall be substituted, namely:—

Penalty for default in complying with, or act in contravention of, this Act or Insurance Regulatory and Development Authority Act, 1999.

"102. If any insurer or insurance intermediary, who is required under this Act or the Insurance Regulatory and Development Authority Act, 1999, or rules or regulations made thereunder fails to,— 41 of 1999.

(*a*) furnish any document, statement, account, return or report to the Authority; or

(*b*) comply with the directions of the Authority; or

(*c*) maintain solvency margin; or

(*d*) comply with the directions on the insurance treaties,

he or it shall be liable to a penalty which shall be up to one lakh rupees for each day during which such failure continues subject to a maximum of ten crore rupees.

Amendment of section 104.

60. In section 104 of the principal Act,—

(*i*) in the marginal heading, the figures and letters ", 27A, 27B, 27D" shall be omitted;

(*ii*) the words, figures and letters ", section 27A, section 27B, section 27D" shall be omitted.

Insertion of new section 105BA.

61. After section 105B of the principal Act, the following section shall be inserted, namely:—

Penalty for contravention of section 42D.

"105BA. (*1*) If any person who acts as an insurance intermediary without being registered under section 42D to act as such, he shall be liable to penalty which shall not be less than one lakh rupees, but may extend to ten lakh rupees and any person who appoints as an insurance intermediary or any person not registered to act as such or transacts any insurance business in India through any such person, shall be liable to penalty which shall not be less than ten lakh rupees, but may extend to one crore rupees.

(*2*) Where the person contravening the provisions of sub-section (*1*) is a company or firm, then, without prejudice to any other proceedings which may be taken against the company or firm, every director, manager, secretary or other officer of the company and every partner of the firm, who is knowingly a party to such contravention shall be liable to penalty which shall not be less than one lakh rupees, but may extend to ten lakh rupees.".

Amendment of section 105C.

62. In section 105C of the principal Act, in sub-section (*1*), for the words, brackets, figures and letters "sub-sections (*8*) and (*9*) of section 42D, section 52F and section 105B", the words, figures and letters "section 52F, section 105B and section 105BA" shall be substituted.

Insertion of new section 105E.

63. After section 105D of the principal Act, the following section shall be inserted, namely:—

Factors to be taken into account before imposing penalty.

"105E. (*1*) While determining the penalty to be imposed under the provisions of this Act or the Insurance Regulatory and Development Authority Act, 1999 or rules or regulations made thereunder, the Authority shall have regard to the following factors, namely:—

41 of 1999.

(*a*) the nature, gravity and duration of the default;

(*b*) the repetitive nature of the default;

(*c*) the disproportionate gain or unfair advantage, wherever quantifiable, made as a result of the default;

(*d*) the loss caused to the policyholders as a result of the default;

(*e*) the action taken by the person to mitigate the effects and consequences of the default, and the timeliness and effectiveness of such action;

(*f*) the number of policyholders impacted by such default;

(*g*) whether the penalty to be imposed is proportionate, having regard to the need to secure observance of and deter breach of the provisions of this Act, the Insurance Regulatory and Development Authority Act, 1999 and rules and regulations thereunder; and

41 of 1999.

(*h*) such other factors as may be deemed appropriate by the Authority:

Provided that before imposing any penalty, the person shall be given an opportunity of being heard.

(*2*) A brief of such penal action shall be disclosed in the form of press release on the website of the Authority within a period of thirty days.

(*3*) The manner and procedure for imposing penalties may be such as specified by the regulations.".

Amendment of section 106.

64. In section 106 of the principal Act,—

(*a*) in sub-section (*11*), for the word and figures "section 237", the word and figures "section 213" shall be substituted;

(*b*) sub-section (*12*) shall be omitted.

Amendment of section 110B.

65. In section 110B of the principal Act, the words, brackets and figures "under sub-section (*1*) of section 42" shall be omitted.

Substitution of new section for section 110F.

66. For section 110F of the principal Act, the following section shall be substituted, namely:—

Provisions applicable to State Governments, and the like.

"110F. Notwithstanding any exemption granted under section 118, the provisions of sections 3, 3A, 33, 34, clause (*a*) of section 34E, 34F, 40C, 44A, 64UM, 64V, 64VA, 64VB, 64VC, 101A, 101C and 110D, shall also apply, so far as may be, to and in relation to the general insurance business carried on by a State Government or a Government company as defined in clause (*45*) of section 2 of the Companies Act, 2013.". 18 of 2013.

Amendment of section 114.

67. In section 114 of the principal Act,—

(*i*) in sub-section (*2*),—

(*a*) for clause (*aaa*), the following clause shall be substituted, namely:—

"(*aaa*) the conditions and manner of foreign investment under section 3AA;";

(*b*) clauses (*d*), (*h*), (*i*), (*j*) and (*l*) shall be omitted;

(*ii*) sub-section (*4*) shall be omitted.

Amendment of section 114A.

68. In section 114A of the principal Act,—

(*a*) for sub-section (*1*), the following sub-section shall be substituted, namely:—

"(*1*) The Authority may, by notification, make regulations consistent with the provisions of this Act and the rules made thereunder, to carry out the purposes of this Act and while making the regulations shall ensure transparency by—

(*a*) publishing draft regulations along with such other details on its website for inviting public comments for a specified period prior to issuing such regulations;

(*b*) publishing a general statement of its response to the public comments not later than the date of notification of the regulations; and

(*c*) periodically reviewing such regulations:

Provided that if the Authority is of the opinion that certain regulations are required to be made or existing regulations are to be amended urgently in the public interest or the subject matter of the regulation relates solely to the internal functioning of the Authority, it may dispense with the condition of publishing draft regulations and record the reasons for doing so:

Provided further that if the Authority considers to approve the regulations in a form substantially different from the proposed regulations other than changes made in consideration of comments received by it, it shall repeat the process mentioned in this sub-section.";

(*b*) in sub-section (*2*),—

(*i*) in clause (*f*), after the words "revenue account", the words "and other financial statements" shall be inserted;

(*ii*) after clause (*f*), the following clause shall be inserted, namely:—

"(*fa*) the eligibility criteria and other conditions for an Actuary under section 12A;";

(*iii*) for clause (*g*), the following clause shall be substituted, namely:—

"(*g*) the purpose for which and the manner in which the report of the Actuary to be submitted, and the form and manner in which the statement shall be appended, under section 13;";

(*iv*) after clause (*gb*), the following clause shall be inserted, namely:—

"(*gc*) the form, manner and period for submission of returns to the Authority under section 15;";

(*v*) for clause (*i*), the following clause shall be substituted, namely:—

"(*i*) the investment of assets by an insurer in a time, manner, limitations, conditions and restrictions under section 27;";

(*vi*) for clause (*ja*), the following clause shall be substituted, namely:—

"(*ja*) the form in which balance-sheets in respect of the insurance business of each of the insurers concerned and the manner in which actuarial reports and abstracts in respect of the insurance business are to be prepared under clauses (*b*) and (*c*) of sub-section (*3*) of section 35, and the manner, procedure and other conditions for a scheme of arrangement or amalgamation or transfer of business under sub-section (*4*) of section 35;";

(*vii*) for clause (*q*), the following clauses shall be substituted, namely:—

"(*q*) the form, manner of making application for registration, the documents to be accompanied and the fee payable under sub-section (*3*) of section 42D;

(*qa*) any other default subject to which the registration may be suspended or cancelled under clause (*viii*) of sub-section (*6*) of section 42D;";

(*viii*) for clause (*r*), the following clause shall be substituted, namely:—

"(*r*) the annual fee in relation to registration under sub-section (*4A*) of section 42D and the procedure for suspension or cancellation of registration under the said sub-section;";

(*ix*) for clause (*v*), the following clause shall be substituted, namely:—

"(*v*) the fee for issuance of duplicate certificate of registration under sub-section (*8*) of section 42D;";

(*x*) after clause (*vb*), the following clause shall be inserted, namely:—

"(*vba*) the period, extent and conditions under which certain insurers may be exempted by the Authority under sub-section (*3*) of section 48B;";

(*xi*) after clause (*zba*), the following clause shall be inserted, namely:—

"(*zbb*) the fee for inspection of the documents filed by an insurer with the Authority and obtaining a copy of said document or part thereof under section 119;";

(*xii*) after clause (*zc*), the following clauses shall be inserted, namely:—

"(*zca*) the manner and conditions of making subsidiary instructions under section 114B;

(*zcb*) the manner of the constitution of Consultative Committees under section 114C;".

Insertion of new sections 114B and 114C.

69. After section 114A, the following sections shall be inserted, namely:—

Subsidiary instructions.

"114B. (*1*) The Chairperson or one or more whole-time Members of the Authority or both may issue subsidiary instructions in such manner and subject to such conditions as may be specified by the regulations for the following purposes, namely:—

(*a*) clarifying the ambiguity of any regulation, if any; and

(*b*) laying down any procedural requirement ancillary to any regulation:

Provided that before making such instructions, the concerned Consultative Committee constituted under section 114C shall be consulted:

Provided further that where subsidiary instructions are required to be made urgently, it may do so, without consulting the Consultative Committee after recording the reasons thereof.

(*2*) Any contravention of the subsidiary instructions shall amount to contravention of the regulation it relates to.

Consultative Committee.

114C. The Authority shall constitute Consultative Committees in such manner as may be specified by regulations, to advise it on—

(*a*) matters relating to the making of subsidiary instructions under section 114B; and

(*b*) any other issue as may be determined by it:

Provided that the advice of the Consultative Committee shall not be binding on the Authority.".

70. Section 115 of the principal Act shall be omitted. Omission of section 115.

71. For section 116 of the principal Act, the following section shall be substituted, namely:— Substitution of new section for section 116.

"116. (*1*) The Central Government may, by order published in the Official Gazette and for the reasons to be recorded in writing, exempt any insurer constituted, incorporated or domiciled in any country outside India from any of the provisions of this Act which may be specified in the order either absolutely or subject to such conditions or modifications as may be provided in such order. Power to exempt from certain requirements.

(*2*) The order published under sub-section (*1*) shall be laid, as soon as after it is made, before each House of Parliament.".

72. In section 116A of the principal Act, in the proviso, the words, brackets and figure "sub-section (*1*) of", the words, figures and letters "or section 28A or section 28B" and the words, brackets and figure "sub-section (*2*) of" shall be omitted. Amendment of section 116A.

73. For section 117 of the principal Act, the following section shall be substituted, namely:— Substitution of new section for section 117.

"117. Save as otherwise provided, nothing in this Act shall affect the liability of an insurer being a company to comply with the provisions of the Companies Act, 2013.". Saving.

18 of 2013.

74. In section 118 of the principal Act,— Amendment of section 118.

(*i*) in clause (*c*), for the word and figures "section 617", the words, brackets and figures "clause (*45*) of section 2" shall be substituted;

(*ii*) in clause (*d*),—

(*a*) in sub-clause (*i*), for the words, brackets, letters and figures "clause (*a*) of section 58N of the Indian Income Tax Act, 1922", the words, brackets and figures "sub-section (*6*) of section (*2*) of the Income-tax Act, 1961" shall be substituted;

11 of 1922.

43 of 1961.

(*b*) in sub-clause (*ii*), for the words "dependents; or", the word "dependent;" shall be substituted;

(*c*) sub-clause (*iii*) shall be omitted.

75. For section 119 of the principal Act, the following section shall be substituted, namely:— Substitution of new section for section 119.

"119. Any person may, on payment of such fees as may be specified by the regulations,— Inspection and supply of copies of documents related to registration.

(*i*) inspect the documents filed by an insurer with the Authority under sub-section (*2*) of section 3; and

(*ii*) obtain a copy of any such document or part thereof.".

76. Section 120 of the principal Act shall be omitted. Omission of section 120.

CHAPTER III

AMENDMENTS TO THE LIFE INSURANCE CORPORATION ACT, 1956

Amendment of section 2.

77. In section 2 of the Life Insurance Corporation Act, 1956 (hereafter in this Chapter referred to as the Insurance Corporation Act),— 31 of 1956.

(*i*) in clause (*3*), sub-clause (*iii*) shall be omitted;

(*ii*) in clause (*6*), the words and figures "and a provident society as defined in section 65 of the Insurance Act" shall be omitted.

Amendment of section 6A.

78. In section 6A of the Insurance Corporation Act, in sub-section (*2*), for the words and figures "Companies Act, 1956", the words and figures "Companies Act, 2013" shall be substituted. 1 of 1956. 18 of 2013.

Amendment of section 18.

79. In section 18 of the Insurance Corporation Act, for sub-section (*2*), the following sub-section shall be substituted, namely:—

"(*2*) The Corporation shall establish zonal offices at Mumbai, Kolkata, Delhi, Kanpur and Chennai, and may establish such other zonal offices as it thinks fit.".

Amendment of section 22.

80. In section 22 of the Insurance Corporation Act, in sub-section (*3*), the words "in the prescribed manner" shall be omitted.

Amendment of section 24.

81. In section 24 of the Insurance Corporation Act, after sub-section (*2*), the following sub-section shall be inserted, namely:—

"(*3*) Where a branch or office of the Corporation is situated in a country outside India, the funds of such branch or office shall be maintained in accordance with the laws of that country.".

Amendment of section 28.

82. In section 28 of the Insurance Corporation Act, after sub-section (*3*), the following sub-section shall be inserted, namely:—

"(*4*) Where a branch or office of the Corporation is situated in a country outside India, the surplus in such branch or office shall be utilised in accordance with the laws of such country.".

Amendment of section 30A.

83. In section 30A of the Insurance Corporation Act, after the words and figures "Insurance Act, 1938", the words and figures ", as applicable to the Corporation by virtue of section 43 of the Life Insurance Corporation Act, 1956" shall be inserted. 31 of 1956.

Amendment of section 43.

84. In section 43 of the Insurance Corporation Act,—

(*a*) in sub-section (*1*), the figures and letter "47A" shall be omitted and for the figures, letter and word "110C, 119, 121, 122 and 123", the figures, letter and word "110C and 119" shall be substituted;

(*b*) in sub-section (*2*),—

(*i*) the figures and letters "28A", "40A" and "44" shall be omitted;

(*ii*) after the figures and letter "40B", the figures "42" shall be inserted; and

(*iii*) for the figures and word "107 to", the figures and word "108 to" shall be substituted;

(*c*) sub-section (*2A*) shall be omitted;

(*d*) in sub-section (*3*), after the words "the Insurance Act", the words "and the rules and regulations made thereunder" shall be inserted.

Amendment of section 44.

85. In section 44 of the Insurance Corporation Act, clause (*b*) shall be omitted.

Amendment of section 48.

86. In section 48 of the Insurance Corporation Act, in sub-section (*2*), clause (*h*) shall be omitted.

CHAPTER IV

AMENDMENTS TO THE INSURANCE REGULATORY AND DEVELOPMENT AUTHORITY ACT, 1999

Amendment of section 2.

87. In section 2 of the Insurance Regulatory and Development Authority Act, 1999 (hereafter in this Chapter referred to as the Insurance Authority Act), in sub-section (*1*), for clause (*f*), the following clause shall be substituted, namely:— 41 of 1999.

'(*f*) "insurance intermediary" shall have the same meaning as assigned to it in clause (*10B*) of section 2 of the Insurance Act, 1938;'. 4 of 1938.

Amendment of section 4.

88. In section 4 of the Insurance Authority Act, in the long line, after the words "accountancy, administration", the words ", information technology" shall be inserted.

Amendment of section 5.

89. In section 5 of the Insurance Authority Act, for sub-section (*1*), the following sub-section shall be substituted, namely:—

"(*1*) The term of office of the Chairperson and other whole-time members shall be five years from the date on which they enter upon their office or till they attain the age of sixty-five years, whichever is earlier, and shall be eligible for reappointment.".

Amendment of section 14.

90. In section 14 of the Insurance Authority Act, in sub-section (*2*),—

(*i*) in clause (*i*), the words, figures and letter "not so controlled and regulated by the Tariff Advisory Committee under section 64U of the Insurance Act, 1938" shall be omitted; 4 of 1938.

(*ii*) for clause (*n*), the following clause shall be substituted, namely:—

"(*n*) imposing such penalty as specified in section 102 of the Insurance Act, 1938 and for any violation of the provisions of this Act or rules or regulations made thereunder;". 4 of 1938.

Insertion of new sections 14A to 14E.

91. After section 14 of the Insurance Authority Act, the following sections shall be inserted, namely:—

Power of Authority to collect policy information.

"14A. The Authority may, for the purpose of efficient discharge of its functions and to regulate and develop the insurance business—

(*a*) collect in such manner as it may think fit, information relating to policies and claims from any insurer or other regulated entities; and

(*b*) furnish such information to any insurer or other regulated entities in accordance with the provisions of section 14C.

Power to call for returns containing policy information.

14B. (*1*) For the purpose of enabling the Authority to discharge its functions under this Act and the Insurance Act, 1938, it may at any time direct any insurer or other regulated entities to submit statements relating to policies and policyholder related information in such form and within such time as may be specified by the regulations. 4 of 1938.

(*2*) Notwithstanding anything to the contrary contained in any law for the time being in force or in any instrument regulating the constitution thereof or in any agreement executed by it, relating to the secrecy of its dealings with its constituents, an insurer or other regulated entities shall comply with any direction issued under sub-section (*1*).

Procedure for furnishing policyholder and policy related information to insurer or other regulated entities.

14C. (*1*) The insurer may, in connection with any insurance policy issued or proposed to be issued by it, to any person, make an application to the Authority in such form as the Authority may specify by the regulations.

(*2*) The Authority shall process the application made under sub-section (*1*) within such period as may be specified by the regulations only after the insurer confirms to the Authority that the person has consented to provide access of his policy related information in accordance with the existing law and regulations framed in this regard including the preservation of evidence of such consent.

(*3*) On receipt of an application under sub-section (*1*), the Authority shall, as soon as may be, furnish the applicant with such policy related information as specified in the application, as may be in its possession:

Provided that the information so furnished shall not disclose the names of the insurer or other regulated entities that has submitted such information to the Authority.

(*4*) The Authority may in respect of each application levy such fees, as it may deem fit for furnishing such information.

Disclosure of information prohibited.

14D. (*1*) Any information contained in any statement submitted by an insurer or other regulated entities under section 14B or furnished by the Authority to any insurer or other regulated entities under section 14C, shall be treated as confidential and shall not, except for the specified intended purposes, be published or otherwise disclosed.

(*2*) Nothing in this section shall apply to—

(*a*) the disclosure by any insurer or other regulated entities, with the previous permission of the Authority, of any information furnished to the Authority under section 14B or 14C;

(*b*) the publication by the Authority, if it considers necessary in the public interest so to do, of any information collected by it under section 14B or 14C, in such consolidated form as it may think fit without disclosing the name of any insurer or other regulated entities or the policyholder;

(*c*) the disclosure or publication by the Authority or the insurer or other regulated entities of any policy related information to any other insurance company, intermediary or regulated entity as permitted by the Authority under the regulations to be issued from time to time.

(*3*) Notwithstanding anything contained in any law for the time being in force, no court, tribunal or other authority shall compel the Authority or any insurer or other regulated entities to produce or to give inspection of any statement submitted by that insurer or other regulated entities under section 14B or 14C or to disclose any policy related information furnished by the Authority to that insurer or other regulated entities under section 14C.

Power to authorise.

14E. The Authority may, for the efficient discharge of its functions under sections 14A to 14D, by a general or special order in writing, authorise any entity regulated by it or any other statutory body having similar objectives to perform such functions as specified in the said order.".

Amendment of section 16.

92. In section 16 of the Insurance Authority Act,—

(*a*) in sub-section (*2*),—

(*i*) in clause (*b*), after the words "for the purposes of this Act", the words and figures "and the Insurance Act, 1938" shall be inserted; 4 of 1938.

(*ii*) after clause (*b*), the following clause shall be inserted, namely:—

"(*c*) the capital expenditure, as per annual capital expenditure plan approved by the Authority.";

(*b*) after sub-section (*2*), the following sub-sections shall be inserted, namely:—

'(*3*) The Authority shall constitute a Reserve Fund and twenty-five per cent. of the annual surplus of the Fund in any year shall be credited to such Reserve Fund and such fund shall not exceed the total of annual expenditure of preceding three financial years.

(*4*) After incurring all the expenses referred to in sub-section (*2*) and transfer to Reserve Fund as specified in sub-section (*3*), the surplus of the Fund shall be transferred to the Consolidated Fund of India.

Explanation.—For the purposes of this section, the expression "Reserve Fund" means a fund to hold the surplus of the Fund, in the form and manner specified in sub-section (*3*) of section 16.'.

Insertion of new section 16A.

93. After section 16 of the Insurance Authority Act, the following section shall be inserted, namely:—

Constitution of Policyholders' Education and Protection Fund.

"16A. (*1*) The Authority shall constitute a fund to be called the Policyholders' Education and Protection Fund.

(*2*) There shall be credited to the Policyholders' Education and Protection Fund the following amounts, namely:—

(*a*) any grants and donations given to the Policyholders' Education and Protection Fund by the Central Government, State Governments, the Authority, companies or any other institutions for the purposes of the Policyholders' Education and Protection Fund;

4 of 1938.

(*b*) the sums realised by way of penalties by the Authority under this Act or the Insurance Act, 1938 or rules and regulations thereunder; and

(*c*) such other sums as may be specified by the regulations.

(*3*) The Policyholders' Education and Protection Fund shall be administered and utilised by the Authority for education of policyholders and protection of the interests of policyholders in the manner and for such other purposes as may be specified by the regulations.".

Amendment of section 23.

94. In section 23 of the Insurance Authority Act, for sub-section (*1*), the following sub-section shall be substituted, namely:—

"(*1*) The Authority may, for the efficient discharge of its functions under this Act, by a general or special order in writing by notification, delegate to the Chairperson or any other member or any officer of the Authority, subject to such conditions or restrictions, if any, as may be specified in the order, such of its powers and functions under this Act, except the power to make regulations and the power to register an insurer, as it may deem necessary or expedient.".

Amendment of section 26.

95. In section 26 of the Insurance Authority Act, for sub-section (*1*), the following sub-section shall be substituted, namely:—

"(*1*) The Authority may, in consultation with the Insurance Advisory Committee, by notification make regulations consistent with the provisions of this Act and the rules made thereunder, to carry out the purposes of this Act and while making the regulations shall ensure transparency by—

(*a*) publishing draft regulations along with such other details as may be specified on its website and inviting public comments for a specified period prior to issuing such regulations;

(*b*) publishing a general statement of its response to the public comments, not later than the date of notification of the regulations; and

(*c*) periodically reviewing such regulations:

Provided that if the Authority is of the opinion that certain regulations are required to be made or existing regulations to be amended urgently in the public interest or the subject matter of the regulation relates solely to the internal functioning of the Authority, it may dispense with the condition of publishing draft regulations and record the reason for doing so:

Provided further that if the Authority decides to approve regulations in a form substantially different from the proposed regulations other than changes made in consideration of comments received by it, it shall repeat the process mentioned in this sub-section.".

———

DR. RAJIV MANI,
Secretary to the Govt. of India.

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ಕರ್ನಾಟಕ ರಾಜ್ಯಪಾಲರ ಆದೇಶಾನುಸಾರ
ಮತ್ತು ಅವರ ಹೆಸರಿನಲ್ಲಿ

(ಅಫೀಫಾ ಉಸ್ಮಾನಿ)
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